Q.B.G. No 1461 of 2009
CANADA
PROVINCE OF SASKATCHEWAN

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36 (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF BIG SKY FARMS INC., DRYCAST SYSTEMS INC. and BIG SKY MANAGEMENT CONSULTING CORP.

AND IN THE MATTER OF NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIATE AN AGREEMENT

BETWEEN:

BIG SKY FINISHERS (NO.1) INC.

APPLICANT

AND:

BIG SKY FARMS INC.

RESPONDENT

SUPPLEMENTARY AFFIDAVIT OF JOHN BECKTON

I, John Beckton, of the City of Saskatoon, in the Province of Saskatchewan, Professional Agrologist, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of Big Sky Finishers (No. 1) Inc. ("Finishers") and as such I have personal knowledge of the facts and matters deposed to herein, except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.

2. Since my Affidavit of the 18th day of February, 2010, I have reviewed the Seventh Supplementary Affidavit of Canute Tagseth dated the 8th day of March, 2010 (the "Tagseth Affidavit") and the reasons provided by Big Sky Farms Inc. ("Farms") for the Notice by Debtor Company to Disclaim or Resiliate an Agreement ("Notice to Disclaim") with respect to agreements between Farms and Finishers, namely the Contract Finishing Agreement (the "Contract Finishing Agreement") the Option Agreement (the "Option Agreement"), and the

Indemnity Agreement (the "Indemnity Agreement"), each dated May 16, 2003, which agreements are hereinafter collectively referred to as the "Agreements".

3. Annexed as part of Exhibit "H" to the Tagseth Affidavit is a copy of a letter dated February 16, 2010 (the "Reasons Letter") to Finishers from Farms which purports to set out the reasons for the giving of the Notice to Disclaim by Farms pursuant to the request made by Finishers for such reasons.

4. I make this Affidavit in reply to the allegations contained in the Tagseth Affidavit and in the Reasons Letter.

5. In regard to paragraph 49 of the Tagseth Affidavit and the paragraphs under the heading "Emergence from CCAA" in the Reasons Letter, while there have been discussions between Farms and Finishers, any offers made by Farms would mean that Finishers would not receive enough monies from finishing hogs for Farms to cover the expenses incurred by Finishers for such finishing of hogs.

6. Further, any offer by Farms contained the provision to reduce the Put/Call price for the Barns of Finishers (the "Barns") at the end of the Contract Finishing Agreement from $1,800,000.00 to $1,000.00.

7. Further, offers were made on Friday, January 29, 2010, and were only open for acceptance until Wednesday, February 3, 2010.

8. It was apparent from the content of such offers and the very limited time that was granted to accept such offers that Farms was not negotiating in good faith or acting in a reasonable manner towards Finishers nor were such offers reflective of current market values.

9. As can be seen from the foregoing, contrary to the closing two sentences of the section "Cost Control and Competitiveness" in the Reasons Letter, Farms has not been attempting "to achieve a fair balance of equities" and has not made "every effort with Finishers to achieve this result, without success".

10. Paragraph 33 of the Tagseth Affidavit and the section "Finisher Contract Summary" in the Reasons Letter do not disclose that Big Sky receives approximately one-half of the manure removal cost of $9.75 per pig space (i.e. $4.88) by selling the manure to farmers near the Barns. Therefore, the "total net price per space" of $66.03 is not correct and should be reduced by at least $4.88 to $61.15.

11. Annexed hereto and marked as Exhibit "A" to this my Supplementary Affidavit is information entitled "Livestock Enterprise Budgets for Iowa – 2009" obtained from the Iowa State University, University Extension.

12. In the section "Finishing Feeder Pigs – One Pig" on page 7 of this information it can be seen that the "Total Feed Costs" for a feeder (finisher) pig in Iowa is $60.90 US per pig. The cost of feed for a finisher pig at the Barns of Finishers is approximately $45.00 CDN per pig which is the figure provided by Farms to Finishers as such cost of feed in December, 2009.

13. While contract rates for finishing services exclusive of feed may be lower in Iowa, it costs an extra $15.00 US per pig or with three turns per year a total of $45.00 US more per pig space per year in feed to finish pigs in Iowa than at the Barns of Finishers.

14. Based on three turns per year the cost per pig space per year including the cost of feed would be greater in Iowa than at the Barns of Finishers. The respective costs would be as follows:

(a) in Iowa $32.00 + ($60.90 x 3) = $214.70 US

(b) at the Barns of Finishers $61.15 + ($45.00 x 3) = $196.15 CDN

15. The Tagseth Affidavit and the Net Contract Summary section of the Reasons Letter also fail to fully disclose and take into account the other greater costs that must be considered in finishing hogs in Iowa.

16. Such other costs include the cost of freight to ship the weanling pigs from Farms' sow barns in Saskatchewan to Iowa. Such freight costs depend on the size of the pig but would be at least $7.00 per pig. At $7.00 per pig and assuming three turns per year this would result in a cost of $21.00 per pig space to ship the pigs to Iowa for finishing.

17. This transportation cost is not just an "initial" cost as suggested in paragraph 28 of the Tagseth Affidavit but would be an ongoing cost as the hogs would be born in Saskatchewan and shipped to Iowa on an ongoing basis.

18. Further, the Tagseth Affidavit and the Net Contract Summary section of the Reasons Letter do not take into account other negative factors which must be considered in finishing hogs in Iowa.

19. Another negative factor of finishing hogs in Iowa or elsewhere in the United States results from their Country of Origin Labeling ("COOL") laws which require that the meat from the slaughtered hogs be labeled as to their country of origin.

20. Under the COOL laws where the origin of the hogs is outside the United States (as would be the case in regard to the hogs of Farms born in Canada and shipped to the United States for finishing and slaughter) their meat would be labeled as originating in Canada. This affects the salebility of such pork products in the United States.

21. U.S. purchasers of finished hogs are reluctant to purchase hogs which have been born outside of the United States. Therefore, not as great a price can be obtained for such hogs. This results in a significant discounting in the price paid for finished hogs that have originated in Canada which can amount to a $15.00 discount per hog over equivalent U.S. born hogs.

22. Another negative factor which has not been disclosed by Farms in the Tagseth Affidavit are the risks associated with transporting hogs across an international border. The Canadian livestock industry has been affected by at least two trade disruptions in the last ten years which resulted in border closures to Canadian livestock. By having the pigs finished at the Barns of Finishers, such uncertainty is eliminated.

23. The reduction in the overall Canadian sow herd referred to in the Tagseth Affidavit has been due in large part to Canadian producers which were shipping to the United States being unable to market their hogs there.

24. For the foregoing reasons, it would be inefficient and costly for Farms not to use the Barns of Finishers.

25. It is apparent that Saskatchewan is the place to have finishing barns as shown by the Manitoba producers which have been attracted to Saskatchewan and have purchased the hog finishing facilities at Leroy and Ponteix referred to in paragraphs 38 and 40 of the Tagseth Affidavit.

26. In regard to paragraph 29 of the Tagseth Affidavit, no evidence is presented to support the allegation that "Hog finishing spaces are currently available in Canada at annual prices ranging between $36.00 to $40.00 per space."

27. Based on Finishers' considerable experience in finishing hogs, I can state that the costs of finishing hogs by any finisher would substantially exceed $36.00 to $40.00 per space. Such low rates would be below cost and a finisher charging such rates would be losing money. Such rates would not be sustainable. I am not aware of any finisher charging such low rates.

28. For the foregoing reasons, contrary to paragraph 47 of the Tagseth Affidavit the payments which Farms is required to make to Finishers are not "significantly above market rates".

29. In regard to paragraphs 25 and 36 of the Tagseth Affidavit and the "Finisher Facilities and Fair Market Value" section of the Reasons Letter, there is not "excess hog finishing capacity" in Saskatchewan and Manitoba.

30. Manitoba producers have purchased barns containing 10,000 pig spaces at Ponteix, Saskatchewan and 40,000 pig spaces at Leroy, Saskatchewan which have removed considerable excess capacity.

31. The hog production units and finishing facilities of Stomp Pork Farm Ltd. referred to in paragraph 37 of the Tagseth Affidavit are for sale as an entire operation as opposed to only the finishing facilities. They also do not have the good condition or the favourable location of the Barns of Finishers. They are therefore not relevant to the situation of the Barns of Finishers.

32. The sale to Hytek in May, 2009 of the Leroy Agra Pork finishing barns referred to in paragraph 38 of the Tagseth Affidavit was at the height of the swine flu crisis and its detrimental effect on hog prices.

33. The sale by Farms of its Treherne, Manitoba hog facility referred to in paragraph 39 of the Tagseth Affidavit was the sale of an entire hog operation and is not relevant to the situation of the Barns of Finishers.

34. The sale of the hog finishing barn at Ponteix referred to in paragraph 40 of the Tagseth Affidavit occurred in early 2009 according to the title thereto.

35. The sale of the hog finishing barn at Medicine Hat, Alberta referred to in paragraph 40 of the Tagseth Affidavit occurred in late 2008 or early 2009 according to the title thereto.

36. The sales cited in the Tagseth Affidavit do not reflect the current much higher price for hogs and the lower price for feed which has increased the value of finishing facilities such as the Barns of Finishers.

37. There have been no sales of finishing barns in Saskatchewan since the dramatic 25 to 30% increase in hog prices in recent months.

38. The Put Option contained in the Option Agreement includes that Finishers may require Farms to purchase the Barns from Finishers for $1,800,000.00 at the end of the Contract Finishing Agreement.

39. As the Barns of Finishers contain 24,000 pig spaces a purchase price of $1,800,000.00 would result in a value of $80.00 per pig space while the replacement costs of the Barns would be $240.00 per pig space. Therefore a purchase of the Barns at $1,800,000.00 would represent one-third of their replacement value.

40. While the hog industry has gone through difficult times, feed costs have dropped significantly in recent months and hog prices have risen to much higher levels which are levels similar to those when Farms entered into the Contract Finishing Agreement, the Option Agreement, and the Indemnity Agreement.

41. The Barns of Finishers formed an integral part of Farms' operations when they were sold by Farms to Finishers and continue to form such integral part.

42. The feed mill of Farms is located within a few miles of the Barns of Finishers.

43. The breeder and nursery facilities of Farms containing 5,600 sows which each produce approximately 26 pigs per year or approximately 145,600 new-born pigs per year are located in very close proximity being within seven and ten miles respectively from the Barns of Finishers.

44. Each of the Barns of Finishers has a capacity of 12,000 pig spaces for a total of 24,000 pig spaces which at three turns per year represent a capacity of 72,000 pigs per year.

45. There are no other finishing barns in the area of the breeder, nursery facilities and feed mill of Farms that have the capacity of the Barns of Finishers.

46. Farms would have a great deal of trouble finding finishing barns that complement its operations in the manner in which the Barns of Finishers do.

47. Considering all of the foregoing, it does not make economic sense for the Agreements to be terminated.

48. As can be seen from the foregoing, a continuation of the Agreements between Farms and Finishers will not jeopardize the ability of Farms to implement its Amended & Restated Plan of Compromise and Arrangement (the "Plan").

49. Further, based on the Monitor's projections and if extrapolated to one year the gross revenue of Farms would be approximately $144,000,000.00. In the year ending June 30, 2009, Farms paid Finishers gross fees of $1,353,186.00 representing base fees of $1,240,000.00 (i.e. $620,000.00 per Barn) and marketing fees of $113,186.00 (i.e. $1.50 per hog). This represents only 0.9 of 1% of the total gross revenue of Farms. Maintaining the Contract Finishing Agreement will not have a material impact on the cost reduction efforts or profitability of Farms.

50. Contrary to paragraph 47 of the Tagseth Affidavit for the reasons noted above the payments required to be made to Finishers are not "significantly above market rates" and

should not "create a very significant impairment of the cash flow of" Farms particularly as the alternative of finishing pigs in Iowa will mean greater costs to Farms as set out above.

51. Contrary to paragraph 47 of the Tagseth Affidavit the Agreements have not "eroded the profitability" or "significantly impaired case flow" of Farms "over the years".

52. The Contract Finishing Agreement was not causing Farms to operate at a loss prior to its initiation of the CCAA proceedings. Farms was operating at a loss due to the depressed hog market with low hog prices, high feed costs and the ramifications of the H_1N_1 virus concerns which Farms has acknowledged throughout the CCAA proceedings and in its representations to its creditors as the causes of its financial difficulties.

53. The said sum of $1,353,186.00 per year is a small amount for Farms but represents a devastating loss to Finishers. Farms is the only customer of Finishers.

54. When the Barns were purchased from Farms by Finishers it was an essential term that the Contract Finishing Agreement exist. Finishers would not have purchased the Barns unless Finishers had the Contract Finishing Agreement with Farms. The Contract Finishing Agreement gives value to the Barns and its disclaimer severely reduces the value of the Barns.

55. The water system to one of the Barns of Finishers is interconnected with the water system to the facilities of Farms and is vital to Finishers.

56. Farms and the financial institutions which have lent monies to Farms have placed encumbrances against the titles to the lands owned by Finishers upon which the Barns are located. True copies of such titles are annexed hereto and marked as Exhibit "B". Such encumbrances restrict Finishers including a Non-Disturbance and Acknowledgment Agreement registered as both Interest Register #108143164 and Interest Register #108143175 (of which agreement a true copy is annexed hereto as Exhibit "C").

57. Farms was in arrears of the fees owing to Finishers as at the date of Farms' filing under the *Companies' Creditors Arrangement Act* on November 10, 2009. The pre-filing claim of Finishers was $554,480.00 of which Finishers will only re-coup $55,448.00 under the Plan.

58. Finishers will suffer losses in the amount of $9,629,637.14 if an order is not made by this Honourable Court that the Agreements not be disclaimed or resiliated. The particulars of such losses are set out in Exhibit "D" to this my Affidavit. Such losses would be devastating to Finishers.

59. The disclaimer or resiliation of the Agreements will cause severe financial hardship to Finishers.

60. Finishers has performed its covenants under the Agreements and honoured the terms of the Agreements including at times when the terms of the Agreements have not been favourable to it.

61. While the paragraphs 44 and 45 of the Tagseth Affidavit refer to the disclosure of risk in the Prospectus of Finishers, it must be remembered that Farms was the promoter of the securities offering of Finishers and benefitted from the sale of the Barns to Finishers and that the Agreements were material contracts in the transaction, which material contracts Farms now purports to disclaim.

62. Finishers' position is unique as it is the only entity involved in these CCAA proceedings whose very existence was established and promoted by Farms.

63. Considering all of the foregoing factors and those set out in my Affidavit of February 18, 2010, Finishers believes that it is not fair or reasonable that the Agreements be disclaimed or resiliated.

SWORN BEFORE ME at the City of Saskatoon, in the Province of Saskatchewan, this 10th day of March, 2010.

Desiree Piper
A Commissioner for Oaths in and for Saskatchewan.
My Commission expires May 31, 2013

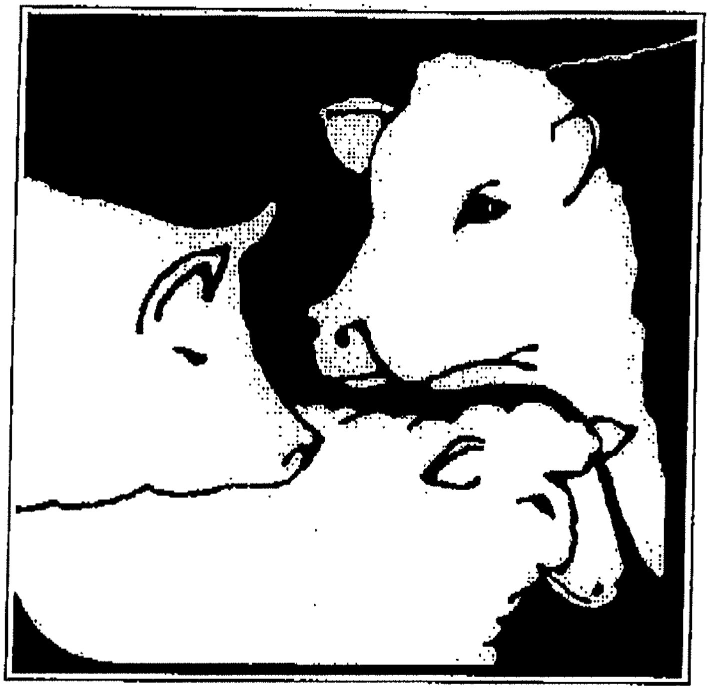
JOHN BECKTON

This document was delivered by and whose address for service is **Stevenson Hood Thornton Beaubier LLP**, Barristers & Solicitors, #500, 123-2nd Avenue South, Saskatoon SK S7K 7E6; Telephone (306) 244-0132; Fax (306) 653-1118. Lawyer in charge of file: Robert F. Thornton, Q.C. Email: rthornton@SHTB-law.com File: 39462000.

Livestock Enterprise Budgets for Iowa — 2009

Ag Decision Maker

File B1-21



This publication contains estimates of production costs for common livestock enterprises in Iowa. Estimates are intended to reflect average or above-average levels of management using common types of technology. Input prices reflect expected average price levels during the year.

Data were drawn from farm record summaries, feed consumption research and price projections, and are intended to be used for planning purposes only. For individual farms, expected costs and input requirements based on past results should be substituted whenever possible.

Each budget contains estimates of the following types of costs:

Fixed Costs. Costs that will occur regardless of the level of production each year. They generally include such things as depreciation, interest, taxes, and insurance on facilities, breeding livestock, and livestock equipment and facilities. Depreciation is assumed to be 8 percent of the original value of facilities and equipment annually. Interest averages one-half the original value of facilities over its lifetime, or 5 percent annually. Taxes and insurance add 1 percent for a total of 14 percent of the original investment annually for fixed costs.

Variable Costs. Costs that vary according to the level of production. Interest is calculated on feed and other variable costs for one-half the production period.

IOWA STATE UNIVERSITY
University Extension

FM 1815 Revised May 2009

This is Exhibit "A" referred to in the Supplementary Affidavit of John Beckton, SWORN before me at Saskatoon, in the Province of Saskatchewan, this 10th day of March, 2010.

Desiree Piper

A Commissioner for Oaths in and for the Province of Saskatchewan. My Commission expires: May 31, 2013

Finishing Feeder Pigs — One Pig

	Quantity		Your Farm
Income			
Market hog (260 lbs x $______/lb)	1 head	$______	$______
Variable Costs			
Feeder pig (50 lb) @ $60.00 per hd	1 head	$60.00	$______
Interest @ 9%	5 months	2.25	$______
Feed Costs			
Corn @ $3.80 per bushel	9 bu	$34.20	$______
Soybean meal @ $0.15 per lb	82 lbs	12.30	______
Dried distiller grain @ $0.06 per lb [a]	32 lbs	1.92	______
Vitamin & minerals @ $0.45 per lb	14.4 lbs	6.48	______
Feed processing & delivery @ $10.00 per ton	0.3 tons	3.00	______
Feed Additives		3.00	______
Total Feed Costs		$60.90	$______
Veterinary and medical		$4.00	$______
Fuel, repairs, utilities		3.50	______
Marketing, miscellaneous		4.00	______
Manure application cost @ $0.01 per gal	190 gal	1.90	______
Interest on variable costs @ 9%	2.5 months	1.36	______
Death loss	0.02 head	1.20	______
Labor @ $14.00 per hour	0.2 hours	2.80	______
Total Variable Costs		$141.91	$______
Income over Variable Costs		$______	$______
Fixed Costs			
Machinery, facilities		$8.63	$______
Total of All Costs		$150.54	$______
Income over All Costs		$______	$______
Break-even selling price for variable costs per cwt		$54.58	$______
Break-even selling price for all costs per cwt		$57.90	$______

[a] Dried distiller grain substitutes for 0.6 bushels of corn and 5 pounds of soybean meal.

Province of Saskatchewan Land Titles Registry Title

Title #: 126238484
As of: 16 Feb 2010 10:48:33.484
Title Status: Active
Last Amendment Date: 05 Oct 2007 15:04:34.173
Parcel Type: Surface
Issued: 18 Jun 2003 09:57:37.300
Parcel Value: $3,550,000.00 CAD
Title Value: *$3,550,000.00 CAD*
Municipality: RM OF KEY WEST NO. 070
Converted Title: 00SE21467
Previous Title and/or Abstract #: 107151768

BIG SKY FINISHERS (NO. 1) INC. is the registered owner of Surface Parcel #108475454

Reference Land Description: SE Sec 18 Twp 08 Rge 22 W2 Extension 0
As described on Certificate of Title 00SE21467.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000.*

Registered Interests:

Interest #: 121642871

Saskatchewan Watershed Authority Act, 2005- Notice (s.64)

Value:
Reg'd: 09 May 2003 16:49:28
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
Saskatchewan Watershed Authority
Park Plaza Suite 420 - 2365 Albert Street
Regina, Saskatchewan, Canada S4P 4K1
Client #: 100005174
Int. Register #: 108031575

Interest #: 121643760

Mortgage

Value: $7,950,000.00 CAD
Reg'd: 18 Jun 2003 09:57:55
Interest Register Amendment Date: N/A
Interest Assignment

Date: 27 Jun 2003 14:27:15
Expiry Date: N/A

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123766858
Holder:
National Bank of Canada
116 - 2nd Avenue South
Saskatoon, Saskatchewan, Canada S7K 1K5
Client #: 114146423

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123902074
Holder:
FARM CREDIT CANADA
12040 - 149 Street NW
Edmonton, AB, Canada T5V 1P2
Client #: 101944201

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123902085
Holder:
CONEXUS CREDIT UNION 2006
P.O. Box 1960 Stn. Main
REGINA, Saskatchewan, Canada S4P 4M1
Client #: 102031591
Int. Register #: 108129887

Interest #:
121691954 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:47
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108143164

Interest #:
121692012 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:48

Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143175

Interest #: 121644008 Miscellaneous Interest

Value:
Reg'd: 18 Jun 2003 09:57:56
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108129933

Interest #: 121692810 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:49
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143221

Interest #: 121644211 Miscellaneous Interest

Value:
Reg'd: 18 Jun 2003 09:57:58
Interest Register Amendment Date: N/A

Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108129955

Interest #:
121692821 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:49
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143221

Interest #:
139447794 Saskatchewan Watershed Authority Act, 2005- Notice (s.64)

Value:
Reg'd: 05 Oct 2007 15:04:34
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
Saskatchewan Watershed Authority
Park Plaza Suite 420 - 2365 Albert Street
Regina, Saskatchewan, Canada S4P 4K1
Client #: 100005174
Int. Register #: 113299476

Addresses for Service:

Name	**Address**
Owner: BIG SKY FINISHERS (NO. 1) INC.	1500 - 410 22ND STREET EAST SASKATOON, SK, Canada S7K 5T6
Client #: 108612457	

Notes:

Parcel Class Code: Parcel (Generic)

Back

Province of Saskatchewan
Land Titles Registry
Title

Title #: 126238529
Title Status: Active
Parcel Type: Surface
Parcel Value: $50,000.00 CAD
Title Value: *$50,000.00 CAD*
Converted Title: 00SE21468
Previous Title and/or Abstract #: 107152376

As of: 16 Feb 2010 10:49:11.494
Last Amendment Date: 03 Jul 2003 13:35:01.440
Issued: 18 Jun 2003 09:57:39.910
Municipality: RM OF KEY WEST NO. 070

BIG SKY FINISHERS (NO. 1) INC. is the registered owner of Surface Parcel #108475230

Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2 Extension 1
As described on Certificate of Title 00SE21468 which describes this parcel and other parcel(s) with the same land description tied to this one.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000.*

Registered Interests:

Interest #: 121642938

Easement Non-Mutual (Dominant)

Value:
Reg'd: 20 May 2003 10:58:21
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Current Dominant Tenement
n/a, Saskatchewan, Canada S4P 3V7
Client #: 100009099
Int. Register #: 108058585

Interest #: 121643704

Easement Non-Mutual (Dominant)

Value:
Reg'd: 18 Jun 2003 09:57:53
Interest Register Amendment Date: N/A
Interest Assignment

Date: N/A
Expiry Date: N/A

Holder:
The Current Dominant Tenement
n/a, Saskatchewan, Canada S4P 3V7
Client #: 100009099
Int. Register #: 108129854

Interest #: 121643748 Mortgage

Value: $7,950,000.00 CAD
Reg'd: 18 Jun 2003 09:57:55
Interest Register Amendment Date: N/A
Interest Assignment Date: 27 Jun 2003 14:27:16
Expiry Date: N/A

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123766836
Holder:
National Bank of Canada
116 - 2nd Avenue South
Saskatoon, Saskatchewan, Canada S7K 1K5
Client #: 114146423

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123902096
Holder:
FARM CREDIT CANADA
12040 - 149 Street NW
Edmonton, AB, Canada T5V 1P2
Client #: 101944201

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123902108
Holder:
CONEXUS CREDIT UNION 2006
P.O. Box 1960 Stn. Main
REGINA, Saskatchewan, Canada S4P 4M1
Client #: 102031591
Int. Register #: 108129887

Interest #: 121691965 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:47
Interest Register Amendment Date: N/A

Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108143164

Interest #: **121692023** Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:48
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143175

Interest #: **121643984** Miscellaneous Interest

Value:
Reg'd: 18 Jun 2003 09:57:56
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108129933

Interest #: **121692832** Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:49
Interest Register Amendment Date: N/A
Interest Assignment

Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143221

Interest #:
121644198 Miscellaneous Interest

Value:
Reg'd: 18 Jun 2003 09:57:58
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108129955

Interest #:
121692843 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:49
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143221

Addresses for Service:

Name	**Address**
Owner: BIG SKY FINISHERS (NO. 1) INC. Client #: 108612457	1500 - 410 22ND STREET EAST SASKATOON, SK, Canada S7K 5T6

Notes:

Under The Planning and Development Act, 2007, the title for this parcel and parcels 108461000 may not be transferred or, in certain circumstances, mortgaged or leased separately without the approval of the appropriate planning authority. If you believe this restriction does not apply to this parcel, please contact 1-866 ASK-ISC1 to have the restriction reviewed.
Parcel Class Code: Parcel (Generic)

Back

Province of Saskatchewan
Land Titles Registry
Title

Title #: 126238574 **As of:** 16 Feb 2010 10:49:50.494
Title Status: Active **Last Amendment Date:** 03 Jul 2003 13:35:01.490
Parcel Type: Surface **Issued:** 18 Jun 2003 09:57:43.393
Parcel Value: $3,500,000.00 CAD
Title Value: *$3,500,000.00 CAD* **Municipality:** RM OF KEY WEST NO. 070
Converted Title: 00SE21468
Previous Title and/or Abstract #: 107152387

BIG SKY FINISHERS (NO. 1) INC. is the registered owner of Surface Parcel #108461000

Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2 Extension 2
As described on Certificate of Title 00SE21468 which describes this parcel and other parcel(s) with the same land description tied to this one.

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000.*

Registered Interests:

Interest #:
121643445

Saskatchewan Watershed Authority Act, 2005- Notice (s.64)

Value:
Reg'd: 12 May 2003 11:12:59
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
Saskatchewan Watershed Authority
Park Plaza Suite 420 - 2365 Albert Street
Regina, Saskatchewan, Canada S4P 4K1
Client #: 100005174
Int. Register #: 108035120

Interest #:
121643456

Easement Non-Mutual (Dominant)

Value:
Reg'd: 20 May 2003 10:58:22
Interest Register Amendment

Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

Holder:
The Current Dominant Tenement
n/a, Saskatchewan, Canada S4P 3V7
Client #: 100009099
Int. Register #: 108058585

Interest #: 121643715

Easement Non-Mutual (Dominant)

Value:
Reg'd: 18 Jun 2003 09:57:53
Interest Register Amendment
Date: N/A
Interest Assignment
Date: N/A
Expiry Date: N/A

Holder:
The Current Dominant Tenement
n/a, Saskatchewan, Canada S4P 3V7
Client #: 100009099
Int. Register #: 108129854

Interest #: 121643759

Mortgage

Value: $7,950,000.00 CAD
Reg'd: 18 Jun 2003 09:57:55
Interest Register Amendment
Date: N/A
Interest Assignment
Date: 27 Jun 2003 14:27:16
Expiry Date: N/A

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123766847
Holder:
National Bank of Canada
116 - 2nd Avenue South
Saskatoon, Saskatchewan, Canada S7K 1K5
Client #: 114146423

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123902119
Holder:
FARM CREDIT CANADA
12040 - 149 Street NW
Edmonton, AB, Canada T5V 1P2
Client #: 101944201

Holder as Tenant in Common
Interest Share: 1/3
Interest Share Number: 123902120
Holder:
CONEXUS CREDIT UNION 2006
P.O. Box 1960 Stn. Main
REGINA, Saskatchewan, Canada S4P 4M1
Client #: 102031591
Int. Register #: 108129887

Interest #:
121691976 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:47
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108143164

Interest #:
121692034 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:48
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143175

Interest #:
121643995 Miscellaneous Interest

Value:
Reg'd: 18 Jun 2003 09:57:56
Interest Register Amendment Date: N/A
Interest Assignment

Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108129933

Interest #: 121692854 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:49
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143221

Interest #: 121644200 Miscellaneous Interest

Value:
Reg'd: 18 Jun 2003 09:57:58
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Expiry Date: N/A

Holder:
BIG SKY FARMS INC.
374 THIRD AVENUE SOUTH
SASKATOON, SK, Canada S7K 1M5
Client #: 100023938
Int. Register #: 108129955

Interest #: 121692865 Miscellaneous Interest

Value:
Reg'd: 24 Jun 2003 07:23:49
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A

Expiry Date: N/A

Holder:
The Bank of Nova Scotia
306-20th St W
Saskatoon, Saskatchewan, Canada S7M 0X2
Client #: 100883314
Int. Register #: 108143221

Addresses for Service:

Name	Address
Owner:	
BIG SKY FINISHERS (NO. 1) INC.	1500 - 410 22ND STREET EAST SASKATOON, SK, Canada S7K 5T6
Client #: 108612457	

Notes:

Under The Planning and Development Act, 2007, the title for this parcel and parcels 108475230 may not be transferred or, in certain circumstances, mortgaged or leased separately without the approval of the appropriate planning authority. If you believe this restriction does not apply to this parcel, please contact 1-866 ASK-ISC1 to have the restriction reviewed.
Parcel Class Code: Parcel (Generic)

Back

This is Exhibit "B" referred to in the Supplementary Affidavit of John Beckton, SWORN before me at Saskatoon, in the Province of Saskatchewan, this 10th day of March, 2010.

Desiree Piper

A Commissioner for Oaths in and for the Province of Saskatchewan. My Commission expires: May 31, 2013
~~OR: Being A Solicitor~~. dp

NON-DISTURBANCE AND ACKNOWLEDGMENT AGREEMENT

This Agreement is made as of the 16th day of May, 2003.

BETWEEN:

BIG SKY FINISHERS (NO. 1) INC.,
("Finishers")

- and -

BIG SKY FARMS INC.,
("Farms")

- and -

NATIONAL BANK OF CANADA,
("National")

- and -

FARM CREDIT CANADA,
("FCC")

- and -

CONEXUS CREDIT UNION,
(**"Conexus"**, and with National and FCC sometimes referred to collectively as the **"Project Lenders"** and, individually, as a **"Project Lender"**)

- and -

THE BANK OF NOVA SCOTIA, in its capacity as Administrative Agent under the Senior Credit Agreement referred to below,

RECITALS:

A. **Whereas** Finishers has purchased, or is entitled to purchase, from Farms on and subject to the terms and conditions of an asset purchase agreement made between Finishers and Farms dated January 14, 2003 (as amended, supplemented or otherwise modified, the **"Asset Purchase Agreement"**), at a purchase price of $3,550,000 each (the **"Purchase Price"**) for an aggregate purchase price of up to $10,650,000, the following three hog finishing barns and related lands, facilities and equipment:

This is Exhibit "C" referred to in the Supplementary Affidavit of John Beckton, SWORN before me at Saskatoon, in the Province of Saskatchewan, this 10th day of March, 2010.

Desiree Pepper

A Commissioner for Oaths in and for the Province of Saskatchewan. My Commission expires: May 31, 2013
~~OR: Being A Solicitor.~~ dp

(a) the bare lands legally described as follows:

(i) Surface Parcel #108475454

Reference Land Description: SE Sec 18 Twp 08 Rge 22 W2
Extension 0
As described on Certificate of Title 00SE21467

(ii) Surface Parcel #108475230
Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2
Extension 1
As described on Certificate of Title 00SE21468

and Surface Parcel #108461000
Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2
Extension 2
As described on Certificate of Title 00SE21468

(iii) Surface Parcel #143031631
Reference Land Description: SE Sec 12 Twp 33 Rge 07 W2
Extension 0
As described on Certificate of Title 00Y07197

(the **"Lands"**); and

(b) all buildings located on each of the said Lands, respectively, including, in particular, the 12,000 hog space finishing barn on each of the Lands (for a total of three finishing barns on the Lands) and all other buildings, waste storage lagoons and other improvements located on or about such Lands including: all hog slats; hog pens and penning materials and structures; fencing; feeding and/or watering systems and controls; plumbing equipment, systems and controls; heating, ventilating and/or air-conditioning equipment, systems and controls; scales; power washers, washers and dryers; and all other fixtures located on or affixed to the Lands or any of the foregoing buildings or improvements as of the Closing Date (the **"Buildings"**); and

(c) all equipment located in, on or about the said Lands or Buildings and used in the Business as of the Closing Date (the **"Equipment"**),

(the Lands described in items (a)(i), (ii) and (iii) above, together with the Buildings and Equipment located therein or thereon being herein referred to, respectively, as **"Barn #1"**, **"Barn #2"** and **"Barn #3"** and all such Lands, Buildings and Equipment as are actually purchased by Finishers from Farms pursuant to such Asset Purchase Agreement being herein referred to collectively as the **"Barns"**) provided, for greater certainty, none of the Barns shall include any hogs, feed, veterinary supplies or medications or any other goods or items, whether located in or on the respective Barns or otherwise, that, in accordance with GAAP, form part of Farms' inventory;

B. **And whereas** Farms and Finishers are also parties to the following agreements, each dated as of the date of this Agreement:

(i) a contract finishing agreement pursuant to which Finishers has been engaged by Farms to finish Hogs owned by Farms in the Barns for the Term (such agreement, as the same may, subject to the terms hereof, be hereafter amended, supplemented or restated being herein referred to as the "**Contract Finishing Agreement**");

(ii) an option agreement pursuant to which Farms has granted to Finishers certain options to sell the Barns back to Farms and Finishers has granted to Farms certain options to repurchase the Barns from Finishers, on and subject to the terms and conditions thereof, at the Option Price (as hereafter defined) (such agreement, as the same may, subject to the terms hereof, be hereafter amended, supplemented or restated being herein referred to as the "**Option Agreement**"); and

(iii) an indemnity agreement pursuant to which Farms has granted to Finishers certain indemnities (such agreement, as the same may, subject to the terms hereof, be hereafter amended, supplemented or restated being herein referred to as the "**Indemnity** " and, with the Option Agreement and the Contract Finishing Agreement, being herein referred to, collectively, as the "**Material Contracts**");

C. **And whereas**, the Project Lenders have agreed, collectively, to lend Finishers the principal sum of up to \$2,650,000 per Barn to partially finance the Purchase Price of each Barn, for a total principal sum if all three Barns are purchased of \$7,950,000 (the actual principal sums so advanced being herein referred to, collectively, as the "**Project Loan**") and, more specifically:

(i) National has agreed to lend to Finishers the principal sum of up to \$2,650,000 (\$883,333.33 per Barn) on and subject to the terms and conditions of an offer of financing dated January 6, 2003 made by National to and accepted by Finishers;

(ii) Conexus has agreed to lend to Finishers the principal sum of up to \$2,650,000 (\$883,333.33 per Barn) on and subject to the terms and conditions of an offer to finance dated January 28, 2003 made by Conexus to and accepted by Finishers; and

(iii) FCC has agreed to lend to Finishers the principal sum of up to \$2,650,000 (\$883,333.33 per Barn) on and subject to the terms and conditions of a credit agreement dated January 31, 2003 made by FCC to and accepted by Finishers

in each case as amended by a letter of agreement between Finishers, National and Conexus dated concurrently with this Agreement (such offers and credit agreements as so amended, and as the same or any of them may, subject to the terms hereof, be hereafter further amended, supplemented or restated being herein referred to collectively as the "**Project Loan Agreement**") and, as security for the repayment of such Project Loan together with interest thereon and to secure the other obligations of Finishers as specified in the Project Loan Agreement and/or in the security granted therefor hereafter described (collectively the "**Project Loan Obligations**") Finishers has granted or agreed to grant to and in favour of the, or certain of the, Project Lenders certain security as described in the Project Loan Agreement including, without limiting the generality of the foregoing, the following:

(iv) a first mortgage or mortgages of the Barns in the principal sum of $7,950,000 (such mortgage, or mortgages, as the same may, subject to the terms hereof, be hereafter amended, supplemented or restated being referred to as the "**Project Mortgage**");

(v) an Inter-Creditor Agreement between the Project Lenders and Finishers;

(vi) an Assignment Agreement by Finishers in favour of the Project Lenders;

(vii) promissory notes, each in the principal amount of $883,333.33 in favour of National (one such note for each segment of the loan advanced);

(viii) a General Security Agreement in favour of National;

(ix) a General Assignment of Book Debts in favour of National;

(x) a General Security Agreement in favour of Conexus; and

(xi) a Security Agreement in favour of FCC,

(all of the foregoing, as the same may, subject to the terms hereof, be hereafter amended, supplemented or restated, being referred to collectively as the "**Project Security**" and, with the Project Loan Agreement collectively as the "**Project Loan Documents**");

D. **And whereas** Farms, together with its subsidiary Drycast Systems Inc. ("**Drycast**") is party, with The Bank of Nova Scotia, as administrative agent (who, together with any subsequent or successor administrative agent or agents under the Senior Credit Agreement are referred to herein as the "**Senior Agent**"), and with the "**Lenders**" (as described and defined in the Senior Credit Agreement referred to below, which Lenders from time to time are referred to herein collectively as the "**Senior Lenders**") to an amended and restated credit agreement made as of June 26, 2002, as amended by a: first amending agreement and consent made as of September 16, 2002; memorandum of the Senior Agent to Farms and the Lenders dated November 8, 2002; second amending agreement made as of December 13, 2002; and third amending agreement (the "**Third Amending Agreement**") made concurrent with this Agreement (such credit agreement as so amended, and as the same may hereafter be further amended, supplemented, restated or replaced being herein referred to as the "**Senior Credit Agreement**") pursuant to which the Senior Lenders have provided or agreed to provide to Farms certain credit facilities as therein described and, as security for the Obligations and the Other Secured Obligations of Farms and Drycast under (and as defined in) the Senior Credit Agreement, Farms and Drycast have granted or agreed to grant to the Senior Lenders and/or to the Senior Agent for and on behalf of and for the benefit of the Senior Lenders certain Security (as defined in the Senior Credit Agreement and herein referred to collectively as the "**Senior Security**"), including, without limiting the generality of the foregoing, the following Senior Security granted by Farms in favour of the Senior Agent:

(i) a demand debenture dated as of September 1, 2000, as supplemented by a supplement to debenture dated as of June 25, 2002 and by a second supplement to demand debenture dated as of September 16, 2002 (the **"Senior Lenders Debenture"**);

(ii) a mortgage or mortgages of the specific lands and premises described therein, including mortgages securing the principal sum of $100,000,000 registered in the Saskatchewan Land Registry against Barn #1 and Barn #2 as Int. Register #102393154 and against Barn #3 as Int. Register #104632343 (the **"Project Specific Mortgages"**);

E **And whereas** pursuant to, and subject to the terms and conditions of, the Third Amending Agreement, the Senior Lenders have consented to Farms entering into the Asset Purchase Agreement and the Material Contracts with Finishers and the Senior Agent has agreed to discharge the Project Specific Mortgages from the Barns, conditional upon, amongst other things, Farms granting to and in favour of the Senior Agent an assignment of and security interest in (the **"Senior Lenders Assignment"**) the Asset Purchase Agreement, the Contract Finishing Agreement and the Option Agreement (collectively, the **"Assigned Contracts"**), which Senior Lenders Assignment, together with the aforesaid Senior Lenders Debenture, as the same or either of such agreements may hereafter be amended, supplemented, restated or replaced, are herein referred to collectively as the **"Relevant Senior Security Documents"**);

F. **And whereas** it is a condition of the Asset Purchase Agreement and the Third Amending Agreement that the parties enter into this agreement (this agreement, as the same may hereafter be amended, supplemented, restated or replaced being herein referred to as the **"Agreement"**);

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

ARTICLE I
INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

(a) all terms first appearing in the recitals of this Agreement in bold print have the meanings given such terms in such recitals;

(b) the terms **"Closing"**, **"Closing Date"** and **"Transactions"** have the meaning given them in the Asset Purchase Agreement;

(c) the terms **"Business"**, **"GAAP"**, **"Hogs"**, **"Term"**, **"Feed"**, **"Supplies"** and **"Other Big Sky Property"** have the meaning given them in the Contract Finishing Agreement;

(d) **"Farms' Property"** means, collectively, all Hogs, Feed, Supplies and Other Big Sky Property;

(e) the terms **"Put Option"**, **"Call Option"** and **"Option"** have the meaning given them in the Option Agreement;

(f) **"Option Price"** means, in respect of a Barn, as of any date, the purchase price for that Barn calculated in accordance with Article 3.0 of the Option Agreement, assuming that Barn was sold and purchased pursuant to the Option Agreement on that date;

(g) **"Realization"** means any steps or proceedings taken by the Senior Agent, the Senior Lenders or any Representative to realize upon or enforce the Senior Security or otherwise deal with the assets of any person for the benefit of its creditors (whether by taking possession of and/or operating the assets of the relevant person, accelerating or demanding payment of a debt or obligation, foreclosure, sale, transfer or lease of the assets of the relevant person, court application or proceeding, insolvency proceeding or otherwise); and

(h) **"Representative"** when used with reference to the Senior Lenders or the Senior Agent, means any receiver, receiver and manager, agent, trustee, representative or other person appointed by or at the instance of the Senior Agent or any of the Senior Lenders or pursuant to any proceeding in connection with or as part of any Realization, any insolvency proceeding or any proceeding seeking liquidation, arrangement, relief of creditors or the appointment of a receiver or trustee over any material part of the property of Farms.

1.2 Recitals

The recitals to this Agreement form an integral part, and shall be read and construed as part, of this Agreement.

1.3 Effective Date

The parties acknowledge and agree that this Agreement shall be effective as of the Closing Date for the purchase and sale of Barn #1 pursuant to the Asset Purchase Agreement (the **"Effective Date"**) and shall apply to such Barn #1, and, as well shall apply to Barn #2 and Barn #3 if and when the Transactions of purchase and sale of Barn #2 and Barn #3, respectively, close in accordance with the Asset Purchase Agreement but this Agreement shall have no application to Barn #2 or Barn #3 unless and until the Transaction of purchase and sale of such Barns, respectively, close.

1.4 Confirmation of Delivery, Receipt and Status of Documents

(a) Material Contracts - Each of Farms and Finishers (each, a "**Counterparty**"), severally represent and warrant to and in favour of the Project Lenders and the Senior Lenders that:

(i) it has duly and validly authorized, executed and delivered each of the Asset Purchase Agreement and the Material Contracts and each such agreement is legally binding upon it and enforceable by the Counterparty against it in accordance with its terms;

(ii) the copies of the Asset Purchase Agreement and Material Contracts delivered to the Project Lenders and the Senior Lenders (or their respective representatives) respectively on or prior to the Effective Date are true and complete copies of such Asset Purchase Agreement and Material Contracts, respectively, each of which remains in full force and effect, without any modification or amendments thereto, as at the date hereof;

(iii) as at the date hereof, neither it, nor to the best of its knowledge the other Counterparty, is in default of any of its representations, warranties, covenants or other obligations under the Asset Purchase Agreement or the Material Contracts nor has it, nor to the best of its knowledge the other Counterparty, assigned the Asset Purchase Agreement or any Material Contract to any person other than, in the case of Farms to the Senior Agent and/or Senior Lenders pursuant to the Senior Security and, in the case of Finishers to the Project Lenders pursuant to the Project Security;

(iv) except as set forth in each Assigned Contract, there are no preconditions to the performance in full by it of its obligations thereunder;

(v) every authorization, approval, order and consent necessary for the execution, delivery and performance by it of each Assigned Contract and this Agreement has been obtained and is in full force and effect as at the date hereof; and

(vi) as of the date hereof, it does not have any defences, rights of set-off or rights of counterclaim, relating to or affecting its rights or obligations under any Assigned Contract;

(b) Project Loan Documents - Finishers represents and warrants to and in favour of Farms and the Senior Lenders that:

(i) it has duly and validly authorized, executed and delivered each of the Project Loan Documents and each such Project Loan Document is legally binding upon and enforceable by the Project Lenders against it in accordance with its terms;

(ii) the copies of the Project Loan Documents delivered to Farms and to the Senior Lenders (or their respective representatives) on or prior to the Effective Date are true and complete copies of each such Project Loan Document, each of which remains in full force and effect, without any modification or amendments thereto, as at the date hereof; and

(iii) as at the date hereof, it is not in default of any of its representations, warranties, covenants or other obligations under the Project Loan Documents.

(c) Relevant Senior Security Documents - Farms represents and warrants to and in favour of Finishers and the Project Lenders that:

(i) it has duly and validly authorized, executed and delivered each of the Relevant Senior Security Documents and each such Relevant Senior Security Document is legally binding upon and enforceable by the Senior Lenders against it in accordance with its terms;

(ii) the copies of the Relevant Senior Security Documents delivered by it to Finishers and the Project Lenders (or their respective representatives) at or prior to the Effective Date are true and complete copies of such Relevant Senior Security Documents, each of which remains in full force and effect, without any modification or amendments thereto, as at the date hereof;

(iii) as at the date hereof, there is no Event of Default or Pending Event of Default under and as defined in the Senior Credit Agreement which has not been waived or consented to in writing by the Senior Lenders;

(d) Project Lenders' Acknowledgements - Each Project Lender hereby, severally:

(i) acknowledges that it has received copies of the Asset Purchase Agreement, Material Contracts and the Relevant Senior Security Documents; and

(ii) represents and warrants to Farms and the Senior Lenders that, to its knowledge, as at the date hereof Finishers is not in default of any of its obligations under the Project Loan Documents;

(e) Senior Agent's Acknowledgement - The Senior Agent hereby:

(i) acknowledges that it has received copies of the Asset Purchase Agreement, the Material Contracts and the Project Loan Documents; and

(ii) represents and warrants to Finishers and the Project Lenders that, to its knowledge, based solely on the last financial reporting received by it from Farms, as at the date hereof there is no Event of Default or Pending Event of Default under and as defined in the Senior Credit Agreement which has not been waived or consented to in writing by the Senior Lenders.

1.5 Consents and Acknowledgment

To the extent that the entering into of any of the Material Contracts, Project Loan Documents or Relevant Senior Security Documents by Finishers or Farms requires, by the terms of those agreements or any other agreement made by or otherwise binding upon either such party with or in favour of any of the Project Lenders, the consent of the Project Lenders, each of the Project Lenders hereby grants its consent. Each of the Project Lenders, Farms and Finishers hereby acknowledges that the Senior Lenders are and will be relying on this Agreement in providing credit and advances to Farms from time to time that are secured by the Senior Security.

ARTICLE II
SUBSTANTIVE PROVISIONS

2.1 Recognition of the Rights and Interests of the Parties

Subject to the terms hereof, each party hereto recognizes and agrees to honour the respective rights and interests of the other parties in and to the Barns and the Farms' Property and recognizes and agrees to honour the respective rights and interests of the other parties hereto under the Asset Purchase Agreement and Material Contracts including, without limiting the generality of the foregoing, the Project Lenders' rights and interests in the Barns and the Material Contracts pursuant to the Project Security and the Senior Agent's and Senior Lenders' rights and interests in the Barns, the Farms' Property and the Material Contracts pursuant to the Senior Security. In particular the respective parties covenant and agree as follows:

(a) the Project Lenders agree that so long as Farms is not in default, past any applicable cure period, in the performance of any of the terms or conditions of the Contract Finishing Agreement, Farms' interest in the Barns pursuant to, and its rights and privileges under, the Contract Finishing Agreement (and the rights and interests of the Senior Lenders therein or thereunder pursuant to the Senior Security) will not be disturbed, diminished or interfered with by the Project Lenders and the Project Lenders shall, subject to the terms hereof, continue to honour Finishers' obligations under the Contract Finishing Agreement;

(b) the Project Lenders agree that so long as Farms is not in default, past any applicable cure periods, in the performance of any of the terms or conditions of the Option Agreement, Farms' interest in the Barns pursuant to, and its rights and privileges under, the Option Agreement (and the rights and interests of the Senior Lenders therein or thereunder pursuant to the Senior Security) will not be disturbed, diminished or interfered with by the Project Lenders and the Project Lenders shall continue to honour Finishers' obligations under the Option Agreement;

(c) subject to subsection 2.1(e) below, Finishers agrees to give to the Senior Agent prompt written notice of any breach of the terms or conditions of any Material Contract by Farms of which Finishers is aware and to give to the Senior Agent a reasonable opportunity to correct any breach if the Senior Agent chooses to do so;

(d) subject to subsection 2.1(e) below, the Project Lenders agree that, if through enforcement of any of their rights under the Project Security or by other proceedings the Project Lenders succeed to the interest of Finishers under any Material Contract, the Project Lenders shall give to the Senior Agent prompt written notice of any breach of the terms or conditions of any Material Contract by Farms of which the Project Lenders are aware and to give to the Senior Agent a reasonable opportunity to correct any breach if the Senior Agent chooses to do so;

(e) if the Senior Agent corrects any breach by Farms of a Material Contract as contemplated by subsection 2.1(c) or (d), then Farms shall (and shall be deemed) not to be in default of the performance of any of the terms or conditions of the applicable Material Contract. Further, for the purposes of subsections 2.1(c) and (d) only, "reasonable opportunity" means the time set out in the relevant Material Contract for the curing by Farms of such default after actual receipt by the Senior Agent of the written notice from Finishers or from the Project Lenders, as applicable, as contemplated by such subsections. In all circumstances, neither Finishers nor the Project Lenders shall have any liability whatsoever for failing to provide the Senior Agent with any written notice required by subsection 2.1(c) or (d), but neither Finishers nor the Project Lenders shall take, and each agrees that it will not exercise, any remedy with respect to any breach of any of the terms or conditions of any Material Contract of which it hereafter has knowledge until the Senior Agent has received the required written notice and the time periods for the breach as specified above have expired; and

(f) Finishers and the Project Lenders acknowledge and agree that (i) all Farms' Property is and shall remain, both before and after the Term of the Contract Finishing Agreement and regardless of whether or not any of the Options under the Option Agreement are exercised, and if exercised regardless of whether or not the transactions of purchase and sale thereunder are completed, the sole and exclusive property of Farms (subject, however, to the rights and interests therein of the Senior Agent and the Senior Lenders pursuant to the Senior Security), (ii) neither Finishers nor the Project Lenders are acquiring any proprietary or security interest or charge in any Farms' Property and (iii) and Farms and the Senior Agent shall at all times on reasonable notice have the benefit of the rights of access and inspection that are set out in section 6.10 of the Contract Finishing Agreement with respect to any Farm's Property. Accordingly, Farms or the Senior Lenders, the Senior Agent and/or any Representatives, as the case may be, may, at any time and upon reasonable notice in the circumstances, whether before or after default by Farms under the Material Contracts or after an Event of Default or Pending Event of Default as defined in and under the Senior Credit Agreement, whether before or after default by Finishers under the Material Contracts or the Project Loan Documents, whether under a Realization or otherwise, and without compensation to either Finishers or the Project Lenders:

   (i) enter into or onto the Barns and remove all or any Farms' Property, provided that where any Supplies or other Farms' Property consisting of fixtures or equipment are removed from a Barn, Farms (or if applicable the Senior Lenders, Senior Agent or their representative) shall repair at its sole cost and expense any damage to the Barn caused by such removal and, further provided, that all heating, ventilation or air conditioning equipment located in a Barn as of the applicable Closing Date is, and all heating, ventilation or air conditioning equipment thereafter placed or installed in any Barn, whether by Farms or Finishers, upon being so placed or installed shall become and remain, the property of Finishers (subject to the rights and interests therein of the Project Lenders pursuant to the Project Security, the rights and interests of Farms therein under the Option Agreement, and the rights of the Senior Lenders and Senior Agent therein claiming under the Option Agreement pursuant to the Senior Security); and

(ii) effect a Realization of all other property of Farms or any part thereof, including without limitation the Assigned Contracts, in accordance with the terms of the Senior Security and/or the Senior Lenders Assignment and, subject to the provisions of this Agreement, Finishers and the Project Lenders shall not object to such Realization nor exercise any rights it or they may have under the Assigned Contracts in respect of such Realization and neither the rights of Farms thereunder, nor any of the rights of the Senior Agent claiming through the Senior Security therein, shall expire or become forfeited or determined as a result of such Realization.

2.2 Default Under and Enforcement of Project Security

If, as a result of a default by Finishers under the Project Loan Documents, the Project Lenders determine to foreclose under the Project Mortgage or to exercise any of their other rights or remedies of enforcement under the Project Security (any of the foregoing being referred to in this Section 2.2 as "**Enforcement Proceedings**"), they shall be free to do so in accordance with the terms of the Project Security, provided they have given written notice to each of Finishers, Farms and the Senior Agent (an "**Enforcement Notice**") of their intention to do so, and provided that in such event the following provisions of this Section 2.2 shall apply.

(a) For greater certainty, but without limiting or otherwise affecting any rights, remedies or benefits that either Farms or Finishers may have as between themselves pursuant to the Asset Purchase Agreement or any Material Contract (and without limiting or otherwise affecting any rights, remedies or benefits that the Senior Lenders may have therein or thereunder pursuant to the Senior Security), Farms may exercise its Call Right and/or Finishers may exercise its Put Right in accordance with and subject to subsection 2.2(a) of the Option Agreement provided that, in such case, notwithstanding any provision to the contrary in the Option Agreement:

(i) if neither the Call Option or the Put Option is exercised, or if the transaction of purchase and sale arising from the exercise of either such Option is not completed by the later of: one year following the Project

Lenders' delivery of the Enforcement Notice; and, the date on which the Court of Queen's Bench for Saskatchewan issues a final order of foreclosure or judicial sale under the Project Mortgage (which final order shall not be caused by the Project Lenders to be issued until after such year has expired), the Options shall thereupon terminate and be of no further force or effect;

(ii) the Option Price, or so much thereof as may be necessary to pay out all amounts then outstanding under the Project Loans, shall be paid by or on behalf of Farms to the Project Lenders provided, for greater certainty, (I) with respect to each Barn, the Project Lenders shall not be required to discharge the Project Mortgage or any other Project Security, or to discontinue or stay any Enforcement Proceedings, unless and until all amounts secured thereby with respect to such Barn have been paid in full and (II) that if the Option Price is sufficient to pay out all amounts outstanding under the Project Loans with respect to one or more Barns, then the Project Mortgage and Project Security with respect to such Barn or Barns shall be discharged and any Enforcement Proceedings against such Barn or Barns shall be discontinued; and

(iii) if the Option is terminated as contemplated by clause 2.2(a)(i) above, and the appointment of Finishers under the Contract Finishing Agreement has not already been terminated in accordance with the terms thereof, such appointment shall, and shall be deemed to, terminate concurrently with such termination of the Option, but without prejudice to any rights or remedies that Farms (or the Senior Lenders claiming through Farms pursuant to the Senior Security) may have against Finishers, or that Finishers may have against Farms, for any then subsisting or pre-existing breach or default under the Asset Purchase Agreement or any Material Contract.

(b) If the Project Lenders commence Enforcement Proceedings they shall be entitled (but not required) to perform the or any of the obligations of Finishers under the Assigned Contracts, but the commencement and/or prosecution of such Enforcement Proceedings and the performance from time to time by or on behalf of the Project Lenders of any of the obligations of Finishers under any Assigned Contracts shall not:

(i) require the Project Lenders to continue to perform any such obligations, or any other obligations, of Finishers under the Assigned Contracts; or

(ii) constitute or be deemed to constitute an attornment by the Project Lenders, or any of them, to any Assigned Contract, or a novation of any such Assigned Contracts, save and except as may be expressly agreed to in writing by the Project Lenders at the time of the giving of the Enforcement Notice or after the commencement of Enforcement Proceedings.

(c) Notwithstanding any default by Finishers under any Project Loan Document or the commencement and/or prosecution of any Enforcement Proceedings by the Project Lenders, until such time as Farms and Finishers complete the purchase and sale of the Barns under the Option Agreement, or the Options are terminated in accordance with the foregoing provisions of this Section 2.2, Farms and Finishers shall continue to observe and be bound by and entitled to the benefit of all of the terms of the Option Agreement and Contract Finishing Agreement (including for greater certainty their respective rights and remedies in the event of default by the other party thereunder) and the Project Lenders shall not disturb or otherwise prohibit either Finishers or Farms from observing and performing any of their rights and obligations thereunder, provided that any monies from time to time payable by Farms to Finishers thereunder, shall upon demand by the Project Lenders in accordance with the Project Security, be paid by Farms directly to or to the order of the Project Lenders on account of the Project Loan Obligations and Farms may offset the amount so paid against monies then due or accruing due under the Contract Finishing Agreement or Option Agreement and if such payment or payments by Farms cures all material defaults by Finishers under the Project Loan Documents, then all Enforcement Proceedings shall be terminated and the Project Lenders shall take no further actions with respect thereto.

(d) Nothing in this Section 2.2 shall be construed as limiting any statutory, common law, equitable or other rights that Finishers, Farms, the Senior Agent or the Senior Lenders, or any of them, may have in or related to the equity of redemption under the Project Mortgage or their respective rights to reinstate the Project Mortgage.

2.3 No Amendment or Prepayment of Material Contracts

Subject to the terms hereof:

(a) Finishers and each of the Project Lenders acknowledges that Farms' authority and entitlement to enter into any amendment or modification of, or to consent to any departure from, the terms of the Asset Purchase Agreement or any of the Material Contracts are limited by, *inter alia*, the terms of the Senior Lenders Assignment, this Agreement and the Senior Credit Agreement and Finishers agrees that:

(i) except with the prior consent of the Project Lenders and the Senior Agent, it will not accept payment of any monies that are or may become payable from Farms under the Asset Purchase Agreement or the Material Contracts except as and when such payments come due under the Asset Purchase Agreement or such Material Contracts; and

(ii) except with the prior consent of both the Project Lenders and the Senior Agent, it shall not accept a surrender or termination nor amend nor vary the terms of, nor waive the performance of any covenant or obligation of Farms under, the Asset Purchase Agreement or any Material Contract.

(b) Farms agrees that:

(i) except with the prior consent of both the Project Lenders and the Senior Agent, it shall not pay any monies that are or may become payable by it under the Asset Purchase Agreement and any Material Contract except as and when such monies come due under the Asset Purchase Agreement or such Material Contract; and

(ii) except with the prior consent of both the Project Lenders and the Senior Agent, it shall not accept a surrender or termination nor amend nor vary the terms of, nor waive the performance of any covenant or obligation of Finishers under, the Asset Purchase Agreement or any Material Contract.

2.4 Concerning the Project Loan

Finishers and the Project Lenders, severally, covenant and agree with and in favour of Farms and the Senior Agent that, so long as any amount of the Project Loan remains outstanding and the Project Mortgage remains registered against title to the, or any of the, Barns:

(a) Finishers shall, and hereby authorizes the Project Lenders to, at the request of either Farms or the Senior Agent, promptly provide to Farms and the Senior Agent such information as to the status of the Project Loan as Farms or the Senior Agent may reasonably request, including confirmation 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 under the Project Loan Agreement and/or Project Security;

(b) except with the prior consent of both Farms and the Senior Agent, they shall not amend the Project Loan Agreement or Project Security, or the payment schedule or amortization period of the Project Loan, nor shall the Project Lenders grant any waivers of scheduled payments or extensions for scheduled payments, if, as a result of such amendments, waivers or extensions, the amount that would be outstanding under the Project Loan Agreement as at any Closing Date (as that term is defined in the Option Agreement) for the purchase and sale of the Barns pursuant to the exercise of an option under the Option Agreement, assuming that all scheduled payments of principal and interest due or accruing due on the Project Loan up to such Closing Date were made on their due dates, would exceed the aggregate Option Price of all Barns calculated as of such Closing Date; and

(c) if Finishers should at any time be more than 30 days in arrears in the payment of any monies payable under or in respect of the Project Loan (regardless of whether the Project Lenders may have consented to such arrears or otherwise waived default) the Project Lenders shall provide written notice of such arrears to Farms and to the Senior Agent and Farms may (subject to having received the prior written consent of the Senior Agent), but shall not be obliged, to pay such arrears to the Project Lenders and to offset the amount so paid against monies then due or accruing due under the Contract Finishing Agreement or Option Agreement and any such payment shall be applied by the Project Lenders against the amounts then owing under the Project Loans and if such payment is a payment in full of all amounts then owing under the Project Loans, then such payment shall cure any payment default, but not any other type of default, unless such payment also has the effect of curing another type of default pursuant to the Project Loan Documents, that may then exist under the Project Loan Documents.

2.5 Agreements of Finishers and the Project Lenders regarding the Senior Lenders Assignment

Notwithstanding anything contained herein or in any Assigned Contract to the contrary, Finishers hereby:

(a) acknowledges that Farms has irrevocably appointed the Senior Agent and its officers or employees from time to time to be the true and lawful attorney for Farms to, *inter alia*, give notice of the Senior Lenders Assignment and of the assignment or re-assignment of any of the Assigned Contracts to any person, and to demand, recover, and enforce payment of all amounts payable in respect of any of the Assigned Contracts and to enforce observance by Finishers of its obligations pursuant to the Assigned Contracts (including providing notices of default thereunder) and for the purposes aforesaid, or any of them, to exercise Farms' rights under the Assigned Contracts, to institute such actions at law or in equity or to take such proceedings as the Senior Agent shall from time to time deem fit or proper, and for the purposes aforesaid or any of them, to make, sign and execute any and all documents in the name of Farms as the Senior Agent shall deem fit or proper and to accept in the name of Farms any re-assignment of any of the Assigned Contracts pursuant to the Senior Lenders Assignment, and agrees to accept and be bound by any such actions taken by the Senior Agent acting lawfully pursuant to the said power of attorney and shall not, and shall not have any obligation to, enquire into the authority of such attorney to take any steps or actions which it purports to take in exercise of the powers granted to it as attorney;

(b) agrees to provide the Senior Agent with copies of all notices, requests or demands sent by it to Farms pursuant to any of the Assigned Contracts;

(c) agrees that it will not, except in accordance with the terms of the respective Assigned Contracts and then subject to the provisions of this Agreement, terminate, amend or waive any provision of any of the Assigned Contracts for any reason while any Obligations or Other Secured Obligations continue to be outstanding;

(d) consents to the Senior Agent or any Representative, on Realization, (i) enforcing or assigning any of the Senior Security, (ii) foreclosing on or taking ownership or possession of or operating all or substantially all of the property of Farms or (iii) assigning, transferring, leasing or selling all or substantially all of such property including all or any of the Assigned Contracts to any person (a **"Third Party Assignee"**) provided that (i) such Third Party shall have assumed in writing all of Farms' obligations under the Assigned Contract(s) so assigned, (ii) Finisher's prior written consent is obtained, such consent not to be unreasonably withheld taking into account the business acumen, fiscal stability and the ability of such Third Party to meet the obligations of Farms under the Assigned Contracts(s) for the term of the Assigned Contract(s) and (iii) there shall exist no event of default or event which with the passage of time or giving of notice would constitute an event of default under the Assigned Contract(s), excluding the assignment and assumption contemplated herein, and following such assignment and assumption the Senior Agent and all Representatives shall then be automatically released from any debts, liabilities and obligations under or in connection with such Assigned Contract(s);

(e) agrees that the Senior Agent and its Representatives shall have no obligation to (i) recognize, maintain in force or perform any of the Assigned Contracts on or in connection with any Realization or any foreclosure or possession by the Senior Agent or any Representative in respect of any of the property of Farms; or (ii) require a purchaser, lessor or operator of any of the property (other than the Assigned Contracts) of Farms to assume, perform or in any way be bound by the terms of any of the Assigned Contracts, provided that, subject to the provisions of this Agreement, Finishers shall be able to exercise its rights under the Assigned Contracts;

(f) agrees that, notwithstanding anything contained herein to the contrary or any rights exercised by it prior thereto, on or following Realization, the Senior Agent, any Representative or any Third Party Assignee shall be entitled (but not obligated) to exercise any and all of the rights and receive the benefits of Farms under the Assigned Contracts in accordance with and subject to the terms thereof notwithstanding any breach, default or similar event existing under any Assigned Contract prior to, at the time of or caused by the Realization, provided that such breach, default or similar event is remedied in accordance with and subject to the terms of the Assigned Contracts and provided that, subject to the provisions of this Agreement, Finishers shall be able to exercise its rights under the Assigned Contracts;

(g) agrees that, except as expressly set forth in subsection 2.5(h) below or otherwise expressly set out in this Agreement, neither the Senior Agent nor any Representative shall in any circumstances have any personal or corporate obligation or responsibility for performance of, or any default in the performance of, any of the Assigned Contracts, whether or not the Senior Agent or any Representative may have exercised any of its rights under the Senior Lenders Assignment or the other Senior Security and, for greater certainty, further agrees that no performance by the Senior Agent or any Representative under or pursuant to the Senior Lenders Assignment (whether to cure a breach or default of Farms, or to enforce rights under any provision hereof) shall be construed as an assumption by the Senior Agent or Representative of the obligations and duties of Farms under any of the Assigned Contracts, unless otherwise expressly agreed to in writing by the senior Agent or Representative;

(h) agrees that if the Senior Agent or Representative has or is found to have or have had any obligations to Finishers or the Project Lenders hereunder or in connection with any of the Assigned Contracts, whether by virtue of, or in connection with, a foreclosure on such Assigned Contract or an express written assumption by the Senior Agent or Representative of Farms' obligations under such Assigned Contract or otherwise, the sole recourse of Finishers or the Project Lenders for the performance of any such obligations shall be limited to the Senior Agent's or Representative's right, title and interest in and to the property encumbered by the Senior Security and the proceeds thereof;

(i) agrees that nothing in this Agreement shall be construed as limiting any statutory or other rights which the Senior Agent may have in connection with the Contract Finishing Agreement or the Option Agreement and/or any default by Farms thereunder;

(j) acknowledges that in enforcing the Senior Agent's rights under the Senior Lenders Assignment, including without limitation in attempting to Realize on the Senior Security over the assets of Farms, the Senior Agent or the Representatives may disclose to third parties on a confidential basis information which is the subject of confidentiality agreements and hereby consents to such disclosure;

(k) agrees that, except with respect to any rights that arise as a result of the obligations expressly referred to in subsection 2.5(h) above, it shall not make any assertion or claim in any judicial, administrative or other proceeding of any nature whatsoever challenging the validity, binding nature, perfection or priority of any of the Senior Security, including the Senior Lenders Assignment, or any of the Assigned Contracts or asserting, as against the Senior Agent or any Representative, any rights of set-off, counterclaim or similar claim which Finishers may have against Farms; and

(l) agrees that it shall not sell, pledge, assign or otherwise transfer (for value or otherwise) all or any part of its right, title or interest in any of the Assigned Contracts to a third party unless (i) such third party shall have assumed in writing all of Finishers' obligations under the Assigned Contract(s) so sold, pledged, assigned or otherwise transferred, (ii) the Senior Agents prior written consent is obtained, such consent not to be unreasonably withheld taking into account, among other things, the business acumen, fiscal stability and the ability of such third party to meet the obligations of Finishers under the Assigned Contracts(s) for the term of the Assigned Contract(s) and (iii) there shall exist no event of default on the part of Finishers or event which with the passage of time or giving of notice would constitute an event of default on the part of Finishers under the Assigned Contract(s), excluding the assignment and assumption contemplated herein,

and each of the Project Lenders acknowledges that Finishers is so acknowledging, agreeing and consenting.

ARTICLE III
GENERAL AND MISCELLANEOUS

3.1 Exchange of Information

Upon request, the Senior Agent and the Project Lenders agree to inform one another with respect to the status of accounts between Farms and the Senior Lenders and between Finishers and the Project Lenders, including with respect to any breaches by Farms under the Senior Credit Agreement and any Realization proceedings taken by the Senior Lenders under the Senior Security and any breaches by Finishers under the Project Loan Agreement and any proceedings taken or proposed to be taken by the Project Lenders under the Project Security, it being expressly understood and agreed, however, that, unless expressly provided in this Agreement, neither the Senior Agent nor any of the Project Lenders shall have any duty or obligation to disclose any specific information to the other and neither the Senior Lenders nor the Project Lenders shall have any duty or obligation of any nature or kind to have regard to the views of the other in determining its course of action with respect to any matter. Each of Farms and Finishers irrevocably consents to the Senior Agent, the Senior Lenders and the Project Lenders exchanging any information they have from time to time concerning Farms or Finishers or their respective undertaking, property and assets.

3.2 Waivers

No right of the Senior Agent or the Senior Lenders to enforce their respective rights under this Agreement shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of Farms, by any act or failure to act on the part of the Senior Agent or the Senior Lenders, or by any non-compliance by Farms, Finishers or the Project Lenders with the terms of this Agreement, regardless of any knowledge thereof which the Senior Agent or the Senior Lenders may have or be deemed to have. This Agreement shall not suspend or otherwise affect the present or future rights and remedies of the Senior Agent or the Senior Lenders with respect to the Obligations or the Senior Security.

3.3 Governing Law

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

3.4 Headings, Interpretation, etc.

The division of this Agreement into articles, sections and subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

3.5 Severability

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

3.6 Number and Gender

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

3.7 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile, electronic mail or other form of electronic transmission or sent by first-class mail, charges prepaid, addressed as follows:

(i) if to Farms:

905 - 5th Avenue
PO Box 610
Humboldt SK S0K 2A0
Attention: Michael Deutscher
Phone: (306) 682-5168
Fax: (306) 682-2750
E-mail: mdeutscher@bigsky.sk.ca

(ii) if to Finishers:

c/o Beckton Financial Consulting Corp.
400 - 410 - 22nd Street East
Saskatoon SK S7K 5T6
Attention: John Beckton
Phone: (306) 934-3020
Fax: (306) 652-6665
E-mail: beckton.ag@sk.sympatico.ca

(iii) if to National:

c/o National Bank of Canada
116 – 2nd Avenue South
Saskatoon SK S7K 1K5
Attention: Ray Bruce
Phone: (306) 343-3295
Fax; (306) 665-8802

(iv) if to FCC:

Farm Credit Canada
301 – 2100 – 8th Street East
Saskatoon SK S7H 0V1
Attention: Gerald Berscheid
Phone: (306)

Fax: (306)

(v) if to Conexus: Conexus Credit Union
P.O. Box 1960 Stn Main
Regina SK S4P 4M1
Attention: Rick Morin
Phone: (306) 780-1656
Fax: (306) 525-5599

(vi) if to the Senior Agent: The Bank of Nova Scotia
Bank Finance – Loan Syndications
40 King Street West, 62nd Floor
Toronto, Ontario
M5W 2X6
Attention: Director
Fax: 416-866-3329

(b) any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or is after 4:00 p.m. on a business day, on the next following business day) or, if mailed, on the fifth business day following the date of mailing, provided, however, that if at the time of mailing or within five business days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered in person or transmitted by facsimile, electronic mail or other form of electronic transmission as aforesaid;

(c) for the purposes of this Section 3.5, "business day" means any day other than a Saturday, Sunday or a day that is a statutory holiday in the city in which the address of the recipient or intended recipient of the notice or other communication is located; and

(d) any party may at any time change its address for service by giving notice to the other party in accordance with this Section 3.5

3.8 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, provided that Finishers shall not assign this Agreement in whole or in part without the prior written consent of all other parties hereto, Farms shall not assign this Agreement in whole or in part without the prior written consent of the Senior Agent, and the Project Lenders shall not assign this Agreement in whole or in part except following written notice to Farms and the Senior Agent and subject to the assignee executing a counterpart of this Agreement or executing such other instrument as may reasonably be requested by Farms and/or the Senior Agent to confirm the agreement of such assignee to be bound by this Agreement.

3.9 Amendments

No amendment to this Agreement shall be effective or enforceable against any party hereto unless such party has consented in writing to such amendment.

3.10 Obligations not "Other Secured Obligations"

The Senior Agent, Farms and the Project Lenders acknowledge and agree that, notwithstanding that one or more of the Project Lenders may also be, or hereafter become, a Senior Lender under the Senior Credit Agreement, none of the obligations of Farms to the Project Lenders hereunder, and none of the obligations of Farms to Finishers under the Material Contracts or under any other agreement now or hereafter made between Farms and Finishers and which are or may be construed pursuant to the Project Security as obligations to a Project Lender, shall constitute or form part of the "Other Secured Obligations" under the Senior Credit Agreement.

3.11 Counterparts and Facsimile

This Agreement and/or any amendments thereto may be executed in any number of counterparts and by different parties in separate counterparts, each of which counterparts when so executed shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Any party may execute and deliver this Agreement and/or any amendments hereto by facsimile or by electronic mail or other form of electronic transmission and a document delivered by a party by electronic mail or other form of electronic transmission that bears a notation that it was signed by or on behalf of that party shall be deemed for all purposes to have been validly executed and delivered by such party.

[Note: the balance of this page is intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

BIG SKY FINISHERS (NO. 1) INC.

Per: ______________________
John Beckton
President

Per: ______________________
Lorianne Baris
Chief Financial Officer

[signature page for Non-Disturbance and Acknowledgment Agreement dated as of 16 May 2003 relating to Big Sky Farms Inc. and Big Sky Finishers (No. 1) Inc. et al]

BIG SKY FARMS INC.

Per: ______________________
Florian Possberg, President and
Chief Executive Officer

Per: ______________________
Michael Deutscher
Chief Financial Officer

[signature page for Non-Disturbance and Acknowledgment Agreement dated as of 16 May 2003 relating to Big Sky Farms Inc. and Big Sky Finishers (No. 1) Inc. et al]

NATIONAL BANK OF CANADA
as Project Lender

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

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

[signature page for Non-Disturbance and Acknowledgment Agreement dated as of 16 May 2003 relating to Big Sky Farms Inc. and Big Sky Finishers (No. 1) Inc. et al]

FARM CREDIT CANADA
as Project Lender

Per: ____________________
Name: Gerald Berscheid
Title: Account Manager

Per: ____________________
Name:
Title:

[signature page for Non-Disturbance and Acknowledgment Agreement dated as of 16 May 2003 relating to Big Sky Farms Inc. and Big Sky Finishers (No. 1) Inc. et al]

CONEXUS CREDIT UNION
as Project Lender

CONEXUS CREDIT UNION SEAL SASKATCHEWAN

Per:
Name: R.G. MORIN
Title: COMMERCIAL ACCOUNT MANAGER

Per:
Name: HARVEY GRANATIER
Title: Chief Executive Officer

[signature page for Non-Disturbance and Acknowledgment Agreement dated as of 16 May 2003 relating to Big Sky Farms Inc. and Big Sky Finishers (No. 1) Inc. et al]

THE BANK OF NOVA SCOTIA, as Administrative Agent under the Senior Credit Agreement

Per: ______________________
Name: Robert Boomhour
Title: Director

Per: ______________________
Name: ANUJ DHAWAN
Title: ASSOCIATE DIRECTOR

[signature page for Non-Disturbance and Acknowledgment Agreement dated as of 16 May 2003 relating to Big Sky Farms Inc. and Big Sky Finishers (No. 1) Inc. et al]

1. Loss of Contract Finishing Revenue and Other Income from Big Sky Farms Inc. from March 6, 2010 to June 30, 2010:

(a)	$620,000.00 per barn x 2 barns =	$1,240,000.00/year
(b)	Marketing fees	$ 113,186.00/year
		$ 1,353,186.00/year

March 6, 2010 to June 30, 2010 = 116 days/365 days = .32 year

$1,353,186.00/year x .32 year =		$443,019.52	
Less expenses for this period:			
Utilities	$31,943.00		
Repairs & Maintenance	$62,394.00		
General Insurance	$12,583.00		
Property Taxes	$ 299.00		
Wages & Benefits	$74,548.00		
Professional Fees	$ 9,908.00		
Management Fees	$20,000.00		
Total for .32 of Year		$211,675.00	
Loss for Period:			$ 231,344.52+

2. Loss of Contract Finishing Revenue and Other Income from Big Sky Farms Inc. from July 1, 2010 to June 30, 2018:

(a)	$620,000.00 per barn x 2 barns =	$1,240,000.00/year
(b)	Marketing fees	$ 113,186.00/year
		$1,353,186.00/year

July 1, 2010 to June 30, 2018 = 8 years

$1,353,186.00/year x 8 years =		$10,825,488.00	
Less expenses per year*:			
Utilities	$ 95,830.00		
Repairs & Maintenance	$187,181.00		
General Insurance	$ 37,748.00		
Property Taxes	$ 896.00		
Wages & Benefits	$223,645.00		
Professional Fees	$ 29,725.00		
Management Fees	$ 60,000.00		
Total Per Year	$635,025.00		
Total per year $635,025.00 x 8 years		$ 5,080,200.00	
Loss for 8 years:			$5,745,288.00+

(*These numbers are based on the June 30th, 2009 audited statement of which a copy is annexed hereto.)

This is Exhibit "D" referred to in the Supplementary Affidavit of John Beckton, SWORN before me at Saskatoon, in the Province of Saskatchewan, this 10th day of March, 2010.

Desiree Pyra

A Commissioner for Oaths in and for the Province of Saskatchewan. My Commission expires: May 31, 2013
~~OR: Being A Solicitor.~~ dp

3.	Expenses of Wind Down for a Period of 12 Months after June 30, 2010:		
	Cost to Empty Manure Storage Lagoon (one time) 8,250,000 gallons x $0.01 per gallon	$ 82,500.00[+x]	
	Utilities	$ 12,000.00[+x]	
	Repairs and Maintenance	$ 12,000.00[+x]	
	Insurance	$ 37,748.00	
	Property Taxes	$ 896.00	
	Checking Barn Contract	$ 6,000.00[+]	
	Employee Severance	$ 75,000.00	
	Professional Services	$ 50,000.00[+x]	
	Interest	$ 205,000.00	
	Loss:		$ 481,144.00
4.	Loss in Value of Barns:		
	Put Option Purchase Price (Book Value) as at June 30, 2018		
	$900,000.00 per barn x 2 barns	$1,800,000.00	
	Less value of barns alleged by Big Sky Farms Inc.	$1,200,000.00	
	Loss:		$ 600,000.00[+]
5.	Loss from Lenders' Claim:		
	Indebtedness to lenders	$3,348,879.00	
	Less value of barns alleged by Big Sky Farms Inc.	$1,200,000.00	
	Loss:		$2,148,879.00
6.	Real Estate Commission Payable on Sale of Barns:		
	5% Commission on $1,200,000.00 (Selling Price)		$ 60,000.00[+x]
7.	Cost of Environmental Insurance:		
	Insurance Premium of $2,500.00 per year x 5 years		$ 12,500.00
		Subtotal:	$9,279,155.52
8.	Goods and Services Tax of 5% on $6,787,132.00 (items [+])		$ 339,356.62
9.	Provincial Sales Tax of 5% on $222,500.00 (items [x])		$ 11,125.00
	TOTAL:		**$9,629,637.14**

Q.B.G. No 1461 of 2009
CANADA
PROVINCE OF SASKATCHEWAN

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36 (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF BIG SKY FARMS INC., DRYCAST SYSTEMS INC. and BIG SKY MANAGEMENT CONSULTING CORP.

AND IN THE MATTER OF NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIATE AN AGREEMENT

BETWEEN:

BIG SKY FINISHERS (NO.1) INC.

APPLICANT

AND:

BIG SKY FARMS INC.

RESPONDENT

ACKNOWLEDGEMENT OF SERVICE

You are asked to fill out and sign this form without delay, and to return it by fax to Robert F. Thornton, Q.C. of Stevenson Hood Thornton Beaubier LLP at (306) 653-1118. If you do not return this signed and completed Acknowledgement of Service without delay, you may not receive notice of any further proceedings or any documents may be personally served on you and you will be required to pay the costs of service.

I ACKNOWLEDGE SERVICE on me of a copy of the following document:

1. Supplementary Affidavit of John Beckton sworn March 10, 2010.

______________________________ ______________________________
Signature Date of Service

Firm Name: MacPherson Leslie & Tyerman

Solicitors for: Big Sky Farms Inc.
Whose address for service is: 1500, 410 – 22nd Street East
Saskatoon SK S7K 5T6

Lawyer in Charge of File:	Jeffrey M. Lee
Telephone number is:	975-7100
Fax number is (optional):	975-7145
E-mail address is (optional):	

NOTICE:

(1) **YOU MUST INCLUDE AN ADDRESS IN SASKATCHEWAN WHERE DOCUMENTS MAY BE MAILED TO OR LEFT FOR YOU IF YOU WISH TO RECEIVE NOTICE OF SUBSEQUENT PROCEEDINGS IN THIS MATTER.**

(2) **It is optional to include your fax number and e-mail address. If you include your fax number or e-mail address, documents may be served on you by fax or electronic transmission.**

(3) **The address, fax number or e-mail address that you give on this form will be used to serve you with documents until you serve on the other parties and file with the court written notice of a new address for service.**

This document was delivered by and whose address for service is **Stevenson Hood Thornton Beaubier LLP**, Barristers & Solicitors, #500, 123-2nd Avenue South, Saskatoon SK S7K 7E6; Telephone (306) 244-0132; Fax (306) 653-1118. Lawyer in charge of file: Robert F. Thornton, Q.C. Email: rthornton@SHTB-law.com File: 39462000.