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

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.

FOURTH SUPPLEMENTARY AFFIDAVIT OF CANUTE TAGSETH

I, **CANUTE TAGSETH**, of the City of Saskatoon, in the Province of Saskatchewan, Chartered Accountant, **MAKE OATH AND SAY THAT**:

1. I am employed as the Chief Financial Officer of the Applicant, Big Sky Farms Inc., such that I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.

2. I make this Fourth Supplementary Affidavit to supplement the Affidavit sworn by me on October 29, 2009; the Supplementary Affidavit sworn by me on November 2, 2009, the Second Supplementary Affidavit sworn by me on December 4, 2009 and the Third Supplementary Affidavit sworn by me on December 8, 2009, each of which Affidavits have been filed on behalf of Big Sky Farms Inc., Drycast Systems Inc. and Big Sky Management Consulting Corp. (collectively, the "**Applicants**" or "**Big Sky**") in support of these proceedings.

3. On November 1, 2009, Big Sky renewed its insurance policy (the "Policy"), which Policy provides Big Sky with insurance coverage against third party liability, property, livestock and business interruption losses.

4. Although the Policy was renewed on November 1, 2009, Big Sky has not paid any premiums in respect of the Policy. It remains necessary for Big Sky to arrange terms of payment with the insurer, Aon Reed Stenhouse Inc.

5. Big Sky cannot carry on business without the benefit and protection of the Policy.

6. Big Sky currently cannot afford to pay the total amount of premiums due pursuant to the Policy in the total aggregate amount of $987,178.00.

7. If Big Sky provides a down payment in the amount of $410,513.00, then CAFO Insurance Premium Financing (**"CAFO"**) is prepared to finance the remaining amount of the Policy's premiums in the amount of $576,665.00, plus a finance charge of $13,214.68. Big Sky would be required to repay the financed amount by 8 monthly installments of $73,734.96 each. Attached and marked as Exhibit "A" to this Affidavit is an insurance premium finance proposal addressed to Big Sky from CAFO.

8. In order to finance the Policy premiums, CAFO will require Big Sky to enter into an insurance premium finance agreement with CAFO (the **"Premium Finance Agreement"**) which will include the repayment terms referenced in the immediately preceding paragraph. In addition, CAFO has informed Big Sky that CAFO is concerned about the risk of providing financing to Big Sky and that CAFO will only agree to finance the Policy premiums on the condition that CAFO obtains a court-ordered first charge over the unpaid insurance premiums as security for Big Sky's obligation to repay the financed amount.

9. In an effort to identify alternative sources of insurance premium financing, Big Sky has made several inquiries of other premium financers. As a result of these other inquiries, I have determined, and I believe it to be true, that the terms of financing proposed by CAFO are the most favourable terms that Big Sky will be able to obtain in the current marketplace. In addition, the Monitor has recommended at paragraph 27 of the Third Report of the Monitor that this Honourable Court grant the Order sought by Big Sky in respect of the insurance

premium financing.

10. I make this Fourth Supplementary Affidavit in support of the application by the Applicants for an Order allowing the Applicants to enter into the Premium Finance Agreement and providing for the Premium Finance Charge and the Insurance Recovery Charge, all as more particularly described in the Notice of Motion of the Applicants dated December 16, 2009.

SWORN BEFORE ME at the City of)
Humboldt, in Province of Saskatchewan)
this 16th day of December, 2009.)
Caroline Spencer)
A Commissioner For Oaths in and for the Province of Saskatchewan.
~~Being a Solicitor~~ My appt. expires November 30, 2010 CS

CANUTE TAGSETH

This Affidavit was delivered by:

MacPherson Leslie & Tyerman LLP
Lawyers
1500, 410 - 22nd Street East
Saskatoon, Saskatchewan
S7K 5T6
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CAFO

FINANCE PROPOSAL (CONTINGENT)

AGENT :

Aon Reed Stenhouse Inc
Attn : Safiya Jamal-Esmail
2700-125 9 Avenue SE
Calgary, AB T2G 0P9
403 267 7010

BORROWER :

Big Sky Farms Inc
PO Box 610
Humboldt, SK S0K 2A0

Quote Number : 100000254544.004

Printed : 11/24/2009 04:04 PM

Policy Effective Date :	11/01/2009
Annual Percentage Rate :	6.075 %
Total Premium :	$987,178.00
Down Payment :	$410,513.00
Amount Financed :	$576,665.00
Finance Charge :	$13,214.68
Total Payments :	$589,879.68

8 Monthly Installments at $73,734.96

First Installment due on 12/01/2009

This is Exhibit "A" referred to in
the Affidavit of Canute Tagseth
SWORN before me at Humboldt, SK.
this 16th day of ~~December~~
December, 2009
Carolyne Spencer
A COMMISSIONER FOR OATHS in and
for the Province of Saskatchewan
My appt. expires November 30, 2013

This is not an offering, but is merely an example of repayment terms that might be available through CAFO. Actual Quote is contingent upon credit review and approval.

IT PAYS TO FINANCE WITH CAFO