

CANADA
PROVINCE OF SASKATCHEWAN

DUPLICATE
ORIGINAL
)

Q.B. No. 1461 of 2009

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, AS AMENDED (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.

BEFORE THE HONOURABLE	)	ON FRIDAY,
	)	
MR. JUSTICE N.G. GABRIELSON	)	THE 18 TH DAY OF
	)	
IN CHAMBERS	)	DECEMBER, 2009

ORDER
(Insurance Premium Financing Charge)

UPON THE APPLICATION of counsel on behalf of the Applicants, Big Sky Farms Inc., Drycast Systems Inc. and Big Sky Management Consulting Corp. (collectively, the "**Applicants**" or "**Big Sky**"), and upon hearing read the Notice of Motion of the Applicants dated December 16, 2009; the Fourth Supplementary Affidavit of Canute Tagseth sworn on December 16, 2009; the Third Report of the Monitor dated December 16, 2009; the Draft Order; the *Ex Parte* Initial Order of the Honourable Mr. Justice N.G. Gabrielson granted on November 10, 2009, as amended by subsequent Orders of the Honourable Mr. Justice N.G. Gabrielson (the "**Initial Order**"); and the Affidavit of Service of Julie G. Reid sworn December 17, 2009, all filed, and upon hearing counsel for the Applicants, the Monitor and any other parties who may be present:

IT IS HEREBY ORDERED, ADJUDGED AND DECLARED THAT:

1. Except as expressly amended by the terms of this Order, the Initial Order (as amended by subsequent Orders of the Honourable Mr. Justice Gabrielson issued in these proceedings) shall continue in full force and effect in accordance with its terms.

2. The time for service of the Notice of Motion commencing this application and the materials filed by the Applicants in support of such Notice of Motion is hereby abridged and further service of same is dispensed with, such that this application is properly returnable on December 18, 2009.
3. The Applicants shall be and are hereby authorized and directed to take any and all actions necessary and appropriate:
 - (a) to consummate the negotiation of an insurance premium finance agreement (the **“Premium Finance Agreement”**) between the Applicants and CAFO Insurance Premium Finance (**“CAFO”**) in the standard form for such agreements utilized by CAFO; and
 - (b) to grant to and in favour of CAFO the security interests hereinafter described, notwithstanding the prohibition against the Applicants granting security interests or encumbrances against their property which is contained in paragraph 10(b) of the Initial Order.
4. The Premium Finance Agreement shall constitute a valid and binding obligation of Big Sky Farms Inc. (**“Big Sky”**) enforceable against it and against any trustee in bankruptcy, receiver or other successor in interest to Big Sky in accordance with the terms thereof, and the payments made pursuant thereto do not and will not be deemed to constitute fraudulent preferences or other challengeable or reviewable transactions under any applicable law.
5. The security interest granted by Big Sky in favour of CAFO charging the unearned insurance premiums shall constitute a valid and binding obligation of Big Sky, thereby creating a first-ranking security interest on such unearned insurance premiums (the **“Premium Finance Charge”**), which Premium Finance Charge shall be enforceable against Big Sky in accordance with the terms thereof, and each charge so created does not and will not be deemed to constitute a fraudulent preference or other challengeable or reviewable transaction under applicable law.

6. Notwithstanding the stay of proceedings in favour of the Applicants provided in the Initial Order or any other Order of this Court to date, if Big Sky shall subsequently default in its obligations to CAFO under the terms of the Premium Financing Agreement, CAFO shall be authorized (upon notice to Big Sky and the Monitor in accordance with the terms of the Premium Finance Agreement, but without further Order of this Court) to:

- (a) cancel the policies of insurance referred to in the Premium Finance Agreement and any renewal or replacement policies; and
- (b) apply for and receive all unearned insurance premiums, dividends and loss payment that reduce the unearned insurance premiums, referable to any such policies.

DATED at Saskatoon, Saskatchewan this 18th day of December, 2009.

(Seal)


(Deputy) Local Registrar

This Order was delivered by:

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