

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA
WESTERN DIVISION

IN RE:

BIG SKY FARMS INC.
by Ernst & Young Inc.
as Its Monitor

Chapter 15

Debtor in a Foreign Proceeding

Bankruptcy No. 09-03293S

JUDGMENT

The issues of this proceeding having come on for telephonic hearing, The Honorable William L. Edmonds, United States Bankruptcy Judge, presiding, and the issues having been heard and a decision having been rendered,

IT IS ORDERED that

1. The creditors of Big Sky in the United States have been duly served and provided adequate notice and opportunity to be heard with respect to the Plan and the Sanction Order.

2. This court recognizes the jurisdiction of the Canadian Court over the Monitor, Big Sky Farms Inc. and its subject matter jurisdiction over the CCCA case. The Court recognizes the Canadian Court Sanction Order as a final order approving the Plan of Arrangement of Big Sky Farms Inc.

This court also recognizes the request of the Canadian Court which seeks the aid and assistance of this court in hearing and determining the lien issues raised by Farmers Cooperative Company of Hinton in livestock and proceeds located in the United States. This court accepts the request, has taken jurisdiction of the dispute, and will hear, determine and enforce its orders and judgments in the adversary proceeding filed to determine such lien issues.

The Monitor or Big Sky Farms Inc. may file such actions and proceedings in this court to seek enforcement of the Canadian Sanction Order, pursuant to the provisions of chapter 15 of the United States Bankruptcy Code, Title 11 United States Code and other statutes to the United States which may afford full faith and credit to foreign judgments.

3. This Court shall retain jurisdiction with respect to the enforcement of this Order pending a resolution of Adversary Proceeding No. 10-9007 commenced by Hinton against the Senior Secured Lenders.

4. Until further order of this Court, Big Sky shall continue

to maintain livestock located in the state of Iowa within 85% or more of the livestock population owned by the Debtor and located in Iowa on the date of the filing of the Chapter 15 Petition which was 53,060 head as of November 10, 2009. In the event a final non-appealable order is entered in Adversary Proceeding No. 10-9007 that declares Hinton held, with respect to all or any part of its claim against Big Sky, a valid first-priority perfected security interest and lien in the Debtor's hogs arising from the consumption of feed provided by Hinton pre-petition, and such lien and security interest is equal to or senior to all creditors, including the liens of the Senior Secured Lenders, pursuant to Iowa Code §570A.5(3) or otherwise, then said lien, to the extent of such value, shall be deemed transferred to the hogs which continue to be maintained by the Debtor in Iowa as required by this Paragraph, and the proceeds thereof, for the purpose of serving as substitute collateral for livestock that consumed the feed supplied pre-petition to Big Sky by Hinton and for the purpose of providing payment in satisfaction of Hinton's claim in the event Hinton's lien claim is determined to be valid, perfected, enforceable and prior to the security interest in favor of Senior Secured Lenders. If this Court determines that with respect to all or any part of Hinton's claim against Big Sky, Hinton's lien is junior to the liens of the Senior Secured Lenders, unperfected or invalid for any reason, then with respect to such portion of Hinton's claim, the 10% distribution under the Plan deposited into the Disputed Claims Reserve will be paid to Hinton in accordance with the terms of the Plan, or within seven (7) days of this Court's Order becoming final and non-appealable, whichever date is later.

5. Notwithstanding any terms of the Plan or the Sanction Order, Hinton's claim will not be compromised, discharged or released and any lien claimed by Hinton in respect of its claim shall not be discharged or extinguished or alternatively enforced until the disposition of the Adversary Proceeding.

6. Except where inconsistent with orders entered by this Court, the Canadian Proceeding and Orders of the Canadian Court will be granted comity and given full force and effect, pursuant to 11 U.S.C. Chapter 15 and United States laws.

7. Notwithstanding Bankruptcy Rules 7062 and 1018, this Order shall be immediately effective and enforceable upon its entry and, upon its entry, this Order shall become final and appealable. This Order constitutes a judgment as required by Fed. R. Bankr. P. 9021.

8. A copy of this Order shall be served, within three (3) business days of entry of this Order, by first-class U.S. mail, postage prepaid, upon: (i) all creditors of Big Sky known to the Debtor within the United States; (ii) the Office of the United States Trustee; and (iii) any other person who has filed a notice of appearance in this Chapter 15 case. Such service shall be

good and sufficient service and adequate notice for all purposes. United States counsel for the Monitor shall file a certificate of service of this Order in compliance with this Paragraph 10 in this Chapter 15 case. A copy of this Order shall also be made available upon the Monitor's website at www.ey.com/ca/bigskyfarms.

Sean F. McAvoy
Clerk of Bankruptcy Court

by *Jean L. Nebel*



[Seal of the U.S. Bankruptcy Court]

DATED & ENTERED March 1, 2010