

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

NATIONAL BANK OF CANADA

Plaintiff

- and -

**McGILLIVRAY & SERA FARMS LTD., 626625 ALBERTA LTD.,
626626 ALBERTA LTD., BASTIAANSEN HOLDING COMPANY
LTD., JOS BASTIAANSEN, CORIEN BASTIAANSEN, and
BASSEM FARM CORPORATION**

Defendants

**SECOND REPORT OF THE RECEIVER
ERNST & YOUNG INC.**

April 22, 2009

INTRODUCTION

1. Ernst & Young Inc. was appointed Interim Receiver over McGillivray & Sera Farms Ltd., 626625 Alberta Ltd., 626626 Alberta Ltd., Bastiaansen Holding Company Ltd., Jos Bastiaansen and Corien Bastiaansen and in respect of certain assets of Bassem Farm Corporation pursuant to an Order of this Honourable Court Dated February 23, 2009.
2. Pursuant to an Order (the “Appointment Order”) of this Honourable Court dated March 16, 2009, Ernst & Young Inc. was appointed Receiver Manager (the “Receiver”) of the property, assets and undertaking of McGillivray & Sera farms Ltd. (“MSF”), 622625 Alberta Ltd., Bastiaansen Holdings Company Ltd., Jos Bastiaansen (“Mr. Bastiaansen”), and Corien Bastiaansen (“Mrs. Bastiaansen”) (collectively referred to as the “MSF Defendants”) and in respect of certain assets (including the Inventory, Proceeds and Bank Accounts as defined in the Appointment Order) of Bassem Farm Corporation (“Bassem”), collectively Bassem and the MSF Defendants are referred to as the “Defendants”. The Appointment Order was entered by this Honourable Court on March 23, 2008.
3. The Appointment Order authorized the Receiver, among other things, to carry on the business of the Defendants, to solicit offers to purchase the assets of the MSF Defendants, to continue to realize on the Bassem assets covered by this Order, and make such arrangements or agreements as deemed necessary by the Receiver.
4. The purpose of this second report (the “Second Report”) of the Receiver is to advise this Honourable Court with respect to:
 - a. A operational update for the period of March 16, 2009 to April 17, 2009 (the “Reporting Period”), including the Receiver’s Statement of Receipts and Disbursements for the Reporting Period;
 - b. The status of the Receiver’s efforts to prepare a report to the Court on the beneficial ownership of the crop inventory grown in 2008 (the “Inventory Investigation Report”);

- c. The sales process undertaken by the Receiver in respect to the lands and buildings of MSF (the “MSF Land and Buildings”);
- d. 3The Receiver’s efforts to realize on the machinery and equipment of the MSF Defendants; and
- e. Recommendations of the Receiver.

BACKGROUND

MSF Defendants

- 5. The MSF Defendants have operated a commercial potato and other cash crop venture in and around the Town of Bow Island, in the Province of Alberta, since approximately April, 2006. The MSF Defendant’s operations consist of approximately 876 acres of agricultural farm land (the “MSF Land”), including two large potato bins used to store potatoes (the “Potato Bins”). Mr. and Mrs. Bastiaansen’s personal residence is also located on the MSF Lands. In addition to the MSF Land and Buildings, the MSF Defendant’s currently own certain machinery and equipment used in its farming operations (the “MSF Machinery and Equipment”). The Receiver’s First Report to the Court (the “First Report”) provides further background on the Defendants.
- 6. Further background on the MSF Defendant’s, including Orders issued by this Honourable Court and the Receiver’s reports have been posted by the Monitor on its website at <http://documentcentre.eycan.com/Pages/Main.aspx?SID=106>.

Mailing of Receiver’s Notice

- 7. On April 14, 2009, the Receiver mailed the Receiver’s notice as required by section 245 of the *Bankruptcy and Insolvency Act*, to the creditors as attached to the Receiver’s First Report.

OPERATIONAL UPDATE

General

8. Certain of the Defendants' potato inventory (the "Potato Inventory") is considered to be good condition (the "Good Potatoes") and certain of the Potato Inventory were considered to be in poor condition with significant sprouting (the "Sprouting Potatoes"). The Receiver has continued to coordinate with the potato purchasers (the "Purchasers") to sell the Potato Inventory in a timely manner.
9. The Receiver is coordinating the shipping of the Good Potatoes to Maple Leaf Potatoes ("Maple Leaf"), and to date 650 tonnes of the Good Potatoes have been shipped to Maple Leaf during the Reporting Period. The Receiver estimates that the remaining inventories, of approximately 1,200 tonnes of Good Potatoes will be shipped to Maple Leaf by June 30, 2009.
10. Approximately 900 tonnes of Sprouting Potatoes have been shipped to Agristar Inc. ("Agristar") during the Receivership Period and the Receiver has scheduled future shipments of the potato inventory to Agristar. The Receiver estimates that the remaining inventories of the Sprouting Potatoes of approximately 400 tonnes, will be shipped to Agristar by April 30, 2009. Certain delays have been experienced by the Receiver in shipping the Sprouting Potatoes to Agristar primarily due to capacity related issues at Agristar.

Statement of Receipts and Disbursements - Receivership

11. The statement of receipts and disbursements for the Reporting Period provided below:

Statement of Receipts and Disbursements - Receivership Period of March 16, 2009 to April 21, 2009	
<u>Opening Cash</u>	\$ 184,102
<u>Receipts</u>	
Collection of Potato Receivables	\$ 190,688
Collection of Sugar Beet Receivable	12,975
Return of Bond Issues to County of 40 Mile #8	21,000
	<u>224,663</u>
<u>Disbursements</u>	
Bond Issued to County of 40 Mile #8	\$ (21,000)
Consulting Fees and contracting fees	(29,898)
Accounting - Retainer and Fees	(12,752)
Appraisal Fees	(6,850)
GST Paid	(2,109)
Trucking	(2,018)
Repairs and Maintenance	(703)
Bank Fees	(8)
	<u>(75,337)</u>
<u>Closing Available Cash</u>	<u>\$ 333,429</u>

Receipts

12. Receipts during the Reporting Period primarily represent the collection of potato receivables. These receivables represent potato sales that occurred prior to and during the Receivership Period. In addition, approximately \$12,975 has been received relating to the sale of Sugar Beets and \$21,000 was refunded by County of 40 Mile #8 (the "County") relating to a bond the Receiver was required to post in order to ship potatoes on roads within the county.

Disbursements

13. During the Reporting Period, the Receiver has disbursed \$75,337, including the original posting of a \$21,000 bond to the County, consultant costs relating to the monitoring and shipping of the Potato Inventory, appraisals commissioned by the Receiver on the MSF Land and Buildings and the MSF Equipment and other miscellaneous operating expenses.
14. The Receiver notes that additional operating costs have been incurred by the Receiver during the Reporting Period, but have not been paid as the Receiver is waiting on the invoices to be received and processed (trucking costs, payroll, etc.). Accordingly, these accrued expenses are not included in the above Statement of Receipts and Disbursements.
15. The Receiver, as required by the Appointment Order, will complete a full reconciliation and allocation of the receipts and disbursements as between the Defendants and the related assets.

INVENTORY INVESTIGATION REPORT

16. The Receiver is continuing to review the financial information received to date and is in the process of preparing the Inventory Investigation Report. As noted in the Statement of Receipts and Disbursements, the Receiver engaged Burns Valkenburg and Associates (“BVA”), the Defendant’s accountants, to complete the financial statements of MSF and Bassem for the year ended December 31, 2008 and restate the Bassem Joint Ventures financial statements for the year ended December 31, 2007 (the completion of the financial statements and restatement are referred to as the “Financial Statements”). The Receiver believes that the Financial Statement need to be completed to allow for an efficient completion of the Inventory Investigation Report.
17. In the First Report, the Receiver estimated that the Financial Statements would be completed by BVA by April 30, 2009, allowing the Inventory Investigation Report to be completed by May 15, 2009. The Receiver continues believe the above noted timelines to be reasonable and achievable. The Receiver is meeting with BVA on April 24, 2009 to assist in the completion of the Financial Statements and investigate queries relevant to the Inventory Investigation Report.

SALES PROCESS

MSF Land and Buildings

18. The MSF Land and Buildings comprises 6 quarters of land located near Bow Island, Alberta, as well as the two Potato Bins and the personal residence of Mr. and Mrs. Bastiaansen, as summarized in the table below:

MSF Land and Building		
Quarter	Legal description	Notes
1.	Lot 1, Block 1, Plan 9910234	- includes Potato Bins - includes personal residence
2.	PTN SW 1/4 SEC 10-10-11-W4	
3.	NE 1/4 SEC 3-10-11-W4	
4.	NE 1/4 SEC 2-10-11-W4	
5.	NW 1/4 SEC 1-10-11-W4	
6.	NE 1/4 SEC 22-9-11-W4	

19. A copy of the title searches for the MSF Land is attached at Appendix A to this report, which indicate that the MSF Land and Buildings is owned by MSF.
20. The Appointment Order provided that the Receiver's powers included the ability to market the MSF Land and Buildings, including advertising and soliciting offers in respect of these assets. The Receiver concluded that given the nature of the MSF Land and Buildings, it was prudent to retain a real estate agent. The Receiver obtained proposals from two reputable listing agents and upon reviewing the proposals selected InfoMarket Group GMAC Real Estate ("GMAC") to list the MSF Land and Buildings for sale.
21. The Receiver signed an Agriculture Real Estate Listing Contract (the "Listing Contract") with GMAC on March 31, 2009.
22. The Receiver had previously engaged an appraisal firm to perform an appraisal on the MSF Land and Buildings (the "Land and Building Appraisal") to determine both the fair market value and a forced liquidation value. The Land and Building Appraisal was completed on March 31, 2009.

After review of the Land and Building Appraisal and discussions with GMAC, the MSF Land and Buildings were listed at \$5,650,000, which was a price materially higher than the appraised market value obtained by the Receiver.

23. Since entering into the Listing Contract, GMAC's marketing activities of the MSF Land and Buildings included the following:
 - a. Signage was installed on each quarter section of the MSF Land and Buildings on March 30, 2009;
 - b. GMAC compiled a list of 27 parties that would potentially be interested in purchasing the MSF Land and Buildings and informed each of the parties of the listing via a phone call immediately upon executing the Listing Contract;
 - c. A posting of the listing was included on the GMAC Farm and Ranch website; and
 - d. Through the Potato Growers Association (the "PGA"), details of the listing were faxed or e-mailed to 130 members of the PGA.
24. The MSF Land and Buildings were marketed en bloc, however based on discussions with interested parties, and given the location of the individual quarters comprising the MSF Land, GMAC advised that the highest value may be realized by accepting offers on individual quarters or a combination of quarters as opposed to en bloc offers. Accordingly, GMAC advised interested parties, that offers on individual quarters, or a combination of quarters of the MSF Land and Buildings would be considered by the Receiver as well as en bloc offers.
25. Interest in the MSF Lands and Buildings was strong and multiple parties toured the MSF Lands and Buildings. Given the strong interest and the MSF Land and Buildings, GMAC encouraged all interested parties to submit their best and final bid by April 9, 2009, to allow the Receiver an opportunity to compare and deal with the offers on an even basis. GMAC believed that having a target bid date of April 9, 2009 was reasonable given:
 - a. The high interest that was expressed in the MSF Land ever prior to the Listing Contract being entered into;

- b. That the prospective purchasers for this land were likely local potato producers who could be target marketed through direct contact via the PGA; and
 - c. That it was of an urgent nature to sell the MSF Land on a timely basis as any purchaser would be interested in seeding the land in the immediate near term, and if seeding could not be completed by mid May, sale of the MSF Land would possibly be delayed until the Fall and possibly at lower prices.
26. By April 9, 2009, GMAC had received 14 offers including offers on all of the MSF Land and Buildings as well as offers consisting of a combination of the individual quarters. On April 9, 2009, the Receiver met with GMAC to review the offers and determine the offers that would provide the best realization on the MSF Land and Buildings, taking into consideration any conditions and closing risks.
27. Upon a review of the offers received, it was evident that several offers were extremely close in price, with the only variance relating to deposit size and certain conditions. GMAC re-approached the strongest bids and advised each party to put forth their best and final bid and listing of conditions.
28. Based on the above analysis and review of the final offers received, and from discussions with GMAC, the Receiver concluded the following offers should be accepted (subject to court approval) and on April 17, 2009, the Receiver signed Agriculture Purchase Contracts (the "Purchase Contracts") with the following three parties:

	Quarters	Purchase price	Deposit	Closing date	Conditions / Notes
Jan Jonker *	1, 2	730,001	70,000	May 15, 2009	Subject to court approval
Niko Remijn, Jaap Remijn and Louis Stiekema *, a	4, 5	3,200,000	320,000	May 22, 2009	Subject to court approval, existing tenants allowed to occupy until July 15, 2009
Verekamp Farls Ltd. *	3, 6	1,275,001	150,000	May 15, 2009	Subject to court approval
TOTAL		5,205,002	540,000		
* - or its nominee					
a - includes the house and potato barns					

29. A copy of the three Purchase Contracts are attached to this report at Appendix B.
30. The combined purchase price of the of the offers accepted by the Receiver, subject to Court approval, is \$5,205,002, which represents \$820,002 higher then the fair market value of the MSF Land and Buildings suggested by the appraisal of the MSF Land and Buildings commissioned by the Receiver and approximately \$1.5 million higher than the forced liquidation value.
31. All offers, as outlined above, have a significant unconditional deposits, subject to Court approval of the sale and the only conditions relate to Court Approval. The Receiver believes this is adequate security to show that the offers selected are legitimate and that it is likely the parties will have adequate financial resources to close the sale of the MSF Land and Buildings. The deposits are being held in trust by GMAC.
32. During the GMAC sale process, the Receiver received an additional offer on the MSF Land and Buildings, MSF Machinery and Equipment and Potato Inventory from an interested party; however, this offer was subsequently revoked by the bidder.
33. The Receiver advises that it was imperative in order to realize the highest value for the MSF Lands and Buildings to allow the purchasers on the land in a timely manner to allow for planting of a 2009 crop. Accordingly, the Receiver has attempted to expedite the sale process of the MSF Land and Buildings, however ensuring at the same time that a thorough and complete marketing process was completed.
34. The Purchase Contracts provide that, upon Court approval of the, the purchasers will be given access to the MSF Land and Buildings to allow the purchasers sufficient time to prepare and plant the crop for this growing season. The Receiver will retain the right to store and ship the Potato Inventory from the three large potato bins and use the MSF Lands and Buildings to store and dispose of the MSF Machinery and Equipment.
35. In addition, the Receiver has negotiated with the prospective purchaser of quarters 4 and 5 (includes the personal residence) to allow for Mr. and Mrs. Bastiaansen to occupy the residence until July 15, 2009.

MSF Machinery and Equipment

36. The Receiver engaged three local appraisers to perform an appraisal on the equipment located on the MSF Lands (the “Machinery and Equipment Appraisal”). Three separate appraisers were commissioned given the distinct nature of the equipment which included trucking equipment, farm machinery and specialized potato machinery.
37. The Receiver understood that certain pieces of equipment located on the MSF Land are owned by third parties other than the MSF Defendants including Bassem, Walter Semkuley and various leasing companies (the “Leasing Companies”). The Receiver has worked directly with Mr. Bastiaansen and through the review of personal property registry searches, registration documents and lease agreements, the Receiver has compiled a listing of the MSF Machinery and Equipment owned by the MSF Defendants (the “Equipment Listing”).
38. The Receiver understands from the Personal Property Registry searches and from information provided directly by various equipment lessors, that security is held by various parties including the National Bank of Canada (the “Bank”) and other secured creditors (“Other Secured Creditors”) as against certain pieces of the MSF Machinery and Equipment. The Receiver is currently in the process of reviewing the security agreements held by the Bank and Other Secured Creditors to determine if the security is valid and enforceable.
39. The Receiver provided the Equipment Listing to five reputable auction companies and requested the auction companies provide proposals including a net minimum guarantee, a straight-purchase and an auction commission scenario. Upon reviewing the proposals and comparing and analyzing to the appraisals commissioned by the Receiver, the Receiver believes the Ritchie Bros. Auctioneers (“Ritchies”) proposal relating to the auction of the MSF Machinery and Equipment is the strongest proposal and will guarantee the highest net realization on the MSF Machinery and Equipment. Ritchie’s net minimum guaranteed amount for an auction of the MSF Machinery and Equipment is in excess of the appraised orderly liquidation values.
40. The Receiver has contacted the leasing companies which have equipment leased to the MSF Defendants and the Receiver is reviewing the various lease agreements to determine if there is

any equity in the leases. If equity is identified within the lease, the Receiver intends to arrange for this equipment to be included in the auction.

41. The Receiver intends to hold the proposed auction in late May or early June, based on discussions with Ritchies. This will provide sufficient time for Ritchie to market the auction and the Receiver understands that interest from parties in the agriculture industry will be highest as it coincides with the potato planting season.

RECOMMENDATIONS

42. The Receiver recommends the approval of the sale of the MSF Land and Buildings to the prospective purchasers under the Purchase Contracts discussed above given the following:
 - a. The GMAC completed a broad marketing effort of the MSF Land and Building including advertising and direct mailings to targeted customers;
 - b. Multiple bids were received indicating a competitive sale process;
 - c. The combined offers selected are \$820,002 higher than the fair market value of the MSF Lands and Buildings and approximately \$1.5 million above the forced liquidation value per the Land and Buildings Appraisal;
 - d. Each individual offer is consistent or in excess of the respective portion of the market value per Land and Buildings Appraisal;
 - e. Each individual offer includes a substantial deposit of approximately 10% of the purchase price and the only remaining condition is approval from this Honourable Court; and
 - f. Time is of the essence to conclude that sale of the MSF Land and Buildings as it so that the Purchasers can seed for a 2009 crop. The Receiver understands that if the sale process is delayed, a market may not exist for the MSF Lands and Buildings until the fall of 2009 and the Receiver will be required to rent the MSF Lands and Buildings for the summer.

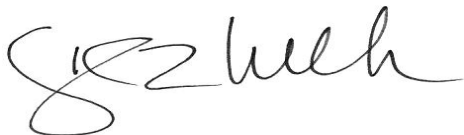
43. The Receiver believes the Ritchies' auction proposal for the MSF Machinery and Equipment to be reasonable and appropriate in the circumstances. The Receiver recommends that this Court approve the Receiver proceeding with the Ritchies' auction proposal given the following:
- a. Proposals were obtained from five reputable auction companies under three different auction scenarios and the Receiver reviewed the proposals to identify the auction company and scenario that provided the best realization on the MSF Machinery and Equipment;
 - b. The auction proposed by Ritchies on a net minimum guarantee basis is greater than the appraised value per the Machinery and Equipment Appraisal; and
 - c. The Receiver understands the highest interest in the auction will be the period of late May and early June during the end of the planting season and it is likely the highest realization on the MSF Machinery and Equipment will be received during this period.

All of which is respectfully submitted this 22nd day of April, 2009.

**ERNST & YOUNG INC.,
in its capacity as Receiver Manager
of certain of the assets of the Defendants**



Neil Narfason, CA•CIRP, CBV
Senior Vice-President



Deryck Helkaa, CA•CIRP
Vice-President

Appendix A

AGRICULTURAL REAL ESTATE PURCHASE CONTRACT

030409
Purchase Contract Number

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

PART A - OFFER TO PURCHASE

This Contract is between
and

THE SELLER

THE BUYER

Name Ernst & Young - Manager & Receiver Name Jan Jansen & or Nominee
Name For Mc Gillivray & Sera Farms Inc. Name _____

1. THE PROPERTY

1.1 The Property is the Land, Buildings, Attached Goods (unless excluded) and included Unattached Goods and other considerations as per clause 1.6 below, excluding all mines and minerals.

1.2 Municipal Address:

County of 40 Mile

1.3 Legal Description (as set out below or on attached Land Description Schedule):

Deeded Lands

W. of	Range	Township	Section	Part	Acres
4	11	10	10	SW 1/4 Pt.	134.38 m/l
4	11	10	10	Pt NW 1/4	112.28 m/l

Assignment of Lease of

W. of	Range	Township	Section	Part	Acres

1.4 All Attached Goods (fixtures) except for:

1.5 No Unattached Goods (specific chattels) except for: (Permanent)

206 Acres SMRID Water rights
8 Tower Reinke Model 6580 Serial # 48167731
4w 60hp GE motor with Paco
Centrifigal pump
As is where is

Seller's Initials

1.6 Other considerations as per the attached Schedules:

- ☐ Schedule A: Surface Leases/Income ☐ Schedule E: Quotas
☐ Schedule B: Grazing Leases/Permits ☐ Financing Schedule
☐ Schedule C: Property Leases ☒ Addendum JJ
☐ Schedule D: Water Rights/Irrigation
☐ Country Residential/Agricultural Property Schedule
☐ Land Description Schedule
☐ Other _____

1.7 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on Title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature, and non-financial encumbrances which have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances:

2. THE TRANSACTION

2.1 Other than the Deposits, the Buyer shall pay the Purchase Price by certified cheque, lawyer's trust cheque, bank draft or other agreed value as follows:

\$ 70,000.- Initial Deposit

\$ _____ Additional Deposit

\$ _____ Assumption of Mortgage
(approximate principal balance)

\$ _____

\$ _____ New Financing

\$ _____ Seller Financing
(as per attached Financing Schedule)

\$ 660,001.00 Other Value JJ

\$ 635,001.00 Balance Owing
(subject to adjustments)

\$ 705,001.00 Purchase Price
(excluding GST) JJ

Buyer's Initials

- 2.2 The Purchase Price does not include GST. In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

3. DEPOSITS

- 3.1 All Deposits shall be delivered in trust to

Info Market Group GMA
Real Estate

Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. 445 Business of

acceptance

- 3.2 The Initial Deposit shall be deposited no later than the second Business Day following the day that Final Signing occurred (as per clause 20.1). Additional Deposits shall be deposited no later than the second Business Day following the day the Additional Deposit is received by the brokerage.

- 3.3 Any Additional Deposits shall be delivered as follows:

- 3.4 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer.

- 3.5 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:

- (a) applied against the Commission (as defined in the Agricultural Real Estate Listing Contract or any other commission agreement signed by the Seller) and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Listing Contract or any other commission agreement signed by the Seller;
- (b) refunded forthwith to the Buyer if this offer is not accepted;
- (c) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per clauses 12.8 and 12.9) or the Seller fails to perform this Contract; and
- (d) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.

- 3.6 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

- 3.7 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:

- (a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposit;
- (b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
- (c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposit a reasonable fee and costs incurred for dealing with the Deposit;
- (d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposit except as arising from the negligence of the brokerage or lawyer.

Seller's Initials

4. COMPLETION DAY

- 4.1 Subject to compliance with the terms hereof, possession of the Land shall be available and given to the Buyer on or before 12 noon of the 15 day of May, 2009 (the

"Completion Day"), subject to the rights of the existing tenants, if any, and Buildings/Farmstead on the _____ day of _____,

subject to the rights of the existing tenants, if any. All harvested crops remain the property of the Seller and will be removed by the _____ day of _____,

and all unharvested crops by the _____ day of _____, after which time the crops or any part thereof not removed shall become the absolute property of the Buyer.

When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.

5. ADJUSTMENTS

- 5.1 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, surface leases (if any), mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.

6. LATE PAYMENT

- 6.1 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid.
- 6.2 If the Seller fails to deliver the closing documents as described in Section 8, then payment of the Purchase Price and interest will be postponed until the Buyer has received the closing documents and has a reasonable period of time to register them.
- 6.3 If the Buyer has not paid the entire Purchase Price, then the Seller may give the Buyer possession upon reasonable terms.

7. CLOSING COSTS

- 7.1 The Seller shall pay and discharge any financial encumbrance which is not by this Contract specifically assumed by the Buyer. The Seller's lawyer shall be permitted to pay and discharge any encumbrances from the sale proceeds and shall do so within a reasonable time.

8. TRANSFER OF LAND

- 8.1 Closing documents shall:

- (a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a transaction of this nature;
- (b) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.

- 8.2 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.

Buyer's Initials

8.3 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage; provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.

8.4 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

9. INSURANCE

9.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds will be held in trust for the Buyer and the Seller according to their interests in the Property.

10. WARRANTIES AND REPRESENTATIONS

10.1 The Seller warrants that:

- (a) the Seller has the legal right to sell the Property;
- (b) the Attached Goods and included Unattached Goods are in normal working order and are free and clear of all encumbrances;
- (c) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
- (d) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach on neighbouring lands, except where an encroachment agreement is in place;
- (e) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Completion Day, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
- (f) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
- (g) the Seller is not in breach of any contract with respect to the Property;
- (h) the Seller is not in breach of any obligation to any third party with respect to the Property;
- (i) within the meaning of the *Income Tax Act* (Canada), the Seller is not now, nor will be on the Completion Day, a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada; and
- (j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.

10.2 The Buyer warrants that, prior to completion, it is NOT an "ineligible person" or a "foreign controlled corporation" and is eligible to purchase "controlled land" as those terms are defined in the *Foreign Ownership of Land Regulations*.

10.3 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.

10.4 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no other warranties, representations or collateral agreements made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.

Seller's Initials

10.5 The representations and warranties in this Contract shall survive the completion of purchase and sale and may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).

10.6 The Buyer shall have the right to register a caveat against the Title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, the Buyer agrees to forthwith discharge that caveat.

11. ADDITIONAL TERMS/HOLDBACK

11.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.

11.2 This Contract is for the benefit of and shall be binding upon the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of corporate parties.

11.3 All changes of number and gender shall be made where required.

11.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta regarding any dispute that may arise out of this transaction.

11.5 Additional terms of sale, if any:

Buyer to have access to the land upon removal of all conditions.

(Attach Schedule if necessary and have initialled by both parties.)

11.6 In the event that the additional terms of this Contract are not fulfilled, there shall be a holdback of \$ _____ for _____ days from the Completion Day to allow compliance by the Seller. These monies will be held in trust by the Buyer's lawyer and if terms are not satisfied, these monies shall be released to the Buyer.

12. CONDITIONS

12.1 The Buyer will verify, at the Buyer's expense, that the water supply meets the following criteria: _____

_____ before 9 p.m. on _____

12.2 **Buyer's Financing Condition:** It is a condition precedent to this offer that the Buyer is able to place a new mortgage(s) and/or assume the existing mortgage(s) upon terms acceptable to the Buyer in order to fund the purchase of the Property. The Buyer shall have an opportunity to obtain such financing until before 9 p.m. on _____

12.3 **Buyer's Due Diligence Condition:** It is a condition precedent of this offer that the Buyer shall have until before 9 p.m. on April 23, 2009 to inspect and accept the Property, the Permitted Encumbrances and all relevant information and records relating thereto. The Seller agrees to provide at its cost the following documents within _____ () Business Days after the date of Final Signing of this offer:

Buyer's Initials

- (a) operational information respecting the Property;
- (b) copies of all other contracts currently pertaining to the Property;
- (c) copies of any reports and particulars of all maintenance work done by the Seller;
- (d) copies of any other pertinent documents, correspondence, work orders and deficiency notices in the possession of the Seller;
- (e) copies of any environmental assessment reports in the possession of the Seller relating to environmental contamination of any kind at or on the Property; whether or not such reports exist, the Buyer, at its own expense, may engage consultants to inspect and make such tests and observations as the Buyer may deem necessary. Copies of all such reports shall be provided to the Seller without cost, whether or not the sale of the Property is completed;
- (f) a Real Property Report reflecting the current state of improvements on the Property, according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance;
- (g) any plans and specifications relating to the original construction and improvements to the Property;
- (h) a copy of the existing Title(s) # attached hereto as Schedule "A";
- (i) other documents as listed below:

12.4 The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

12.5 Additional Buyer's Conditions:

Before 9 p.m. on _____
(the "Condition Day").

12.6 The Seller's Conditions are:

Subject to final court approval

Before 9 p.m. on April 20, 2009
(the "Condition Day").

[Signature] Seller's Initials

12.7 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

12.8 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day.

12.9 Subject to clause 12.7, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

13. REMEDIES/DISPUTES

13.1 If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all available remedies.

14. SECURITY FOR THE SELLER'S BROKERAGE'S FEES

14.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

15. ADVICE

15.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.

15.2 This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

15.3 Unless there is a dual agency or another written agreement, the Seller's brokerage represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.

15.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or the real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

16. DEFINITIONS

16.1 In this Contract:

(a) **Business Day** means a day when the Land Titles Office is open for business.

(b) **Buyer's Agent** means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Buyer.

(c) **Seller's Agent** means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Seller.

17. REPRESENTATIVES/NOTICE

Note: The Representative information must be completed in full by the Buyer's Agent at the offer stage prior to the Contract being signed in order to permit communication on the Representatives.

17.1 The Representatives identified in clause 17.2 represent the Seller and the Buyer.

17.2 For the purposes of giving and receiving any notice referred to in this Contract, and for acceptance of an offer to purchase, communication must be in writing and must be delivered to the address or faxed to the number described below.

A notice sent or received by a Representative is proper notice for the purposes of this Contract.

[Signature] Buyer's Initials

Seller's Information:

Seller's Address 1000 440 2nd Avenue
S.W. Calgary ABT2P 5E9Phone 403-206-5000 Fax 403-206-5073

Seller's GST # _____

Seller's Representative: Blaine / Chris

Broker, associate broker or agent registered to the brokerage

Brokerage Name InfoMarket Group
CMAL Real EstateBrokerage Address 5329-48 Avenue
TaberPhone 223-2350 Fax 223-9004

Buyer's Information:

Buyer's Address _____

Phone 502-6113 Fax _____Buyer's GST # 545-6291Buyer's Representative: Blaine / Chris

Broker, associate broker or agent registered to the brokerage

Brokerage Name INFO MARKET GROUP GMACBrokerage Address 5329 - 48 AVE.Taber TIG 1S7Phone (403)223-2350 Fax (403)223-9004

18. OFFER

18.1 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

18.2 This offer/counter offer shall be open for acceptance in writing until _____ .m. on April 7, 2009SIGNED AND DATED at TaberAlberta at _____ .m. on the 8 day ofApril 2009Signature of Buyer Tan Jonker

Print Name of Buyer

Signature of Witness Blaine M. Gross

Print Name of Witness

Signature of Buyer

Signature of Witness

Print Name of Buyer

Print Name of Witness

PART B - ACCEPTANCE

19. ACCEPTANCE

19.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at CalgaryAlberta at 2:57 p.m. on the 17th day ofApril 2009Signature of Seller Ernst + Young Inc. in its capacity as Receiver of McMillan and Sera Farms LtdPrint Name of Seller Peter HelkaaSignature of Witness Peter Chisholm

Print Name of Witness

Signature of Seller

Signature of Witness

Print Name of Seller

Print Name of Witness

20. FINAL SIGNING

20.1 Final Signing of this Contract occurred at

3:00 p.m. on April17th, 2009Initials of the person(s) who signed last Ernst + Young Inc. in its capacity as Receiver of McMillan and Sera Farms Ltd

CONVEYANCING

Seller's Lawyer _____

Lawyer's Address _____

Lawyer's Phone _____

Fax _____

Buyer's Lawyer Roger PennerLawyer's Address 6-604 Center Street
Bow Island ABLawyer's Phone 403-545-6309 Fax _____

Addendum to Agricultural Real Estate Purchase Contract
(the "Addendum")

1. This Addendum forms part of the agricultural real estate purchase contract (the "**Contract**") designated as number 030409, which was made by the undersigned Buyer on April 8, 2009 and conditionally accepted by the undersigned Seller as of the date set out below, whereby the Buyer agreed to buy and the Seller agreed to sell *inter alia* the lands legally described as follows in certificates of title nos. 071372024+5 and 071372024+3:

First: Meridian 4 Range 11 Township 10
Section 10
Quarter South West
Excepting thereout:

	Hectares	(Acres)	More or less
A) Plan 031 1514 Subdivision	10.387	25.67	
Containing 64.7 Hectares (160 Acres) more or less			
Excepting thereout all mines and minerals			

(the "South West Quarter")

Second: Plan 931 0234
Block 1
Lot 1
Excepting thereout all mines and minerals
Area: 45.44 Hectares (112.28 Acres) more or less

(the "North West Quarter (Portion)")

2. In this Addendum all initially capitalized words shall have the meaning assigned in the Contract except as otherwise defined herein. Any reference herein to a "clause" shall be a reference to the corresponding clause of the Agreement. If there is any conflict or inconsistency between this Addendum and the Contract, the terms of this Addendum shall prevail to the extent of such conflict or inconsistency. Except as and to the extent amended by this Addendum, the Buyer and the Seller ratify and affirm the Contract.
3. The following clauses of the Contract are hereby deleted entirely:
- (a) clause 3.7;
 - (b) clauses 8.3 and 8.4;
 - (c) clause 10.1;
 - (d) clause 11.6; and
 - (e) clauses 12.1, 12.2, 12.3, 12.4, 12.5 and 12.7.

Handwritten signature and initials, possibly 'D' and 'J'.

4. Without limiting the generality of clause 1.7, the Buyer shall accept title to the Property subject to the following Permitted Encumbrances registered at the Alberta Land Titles Office:
 - (a) affecting the South West Quarter:
 - (i) 1485KX Irrigation Order/Notice;
 - (ii) 731 011 502 Caveat;
 - (iii) 771 075 123 Utility Right of Way;
 - (iv) 891 120 732 Water Resources Act Certificate;
 - (v) 991 140 999 Caveat;
 - (vi) 011 100 498 Easement;
 - (vii) 031 251 395 Agreement;
 - (viii) 041 359 689 Caveat;
 - (ix) 041 359 690 Caveat; and
 - (x) 041 402 351 Irrigation District Resolution.
 - (b) affecting the North West Quarter (Portion):
 - (i) 001 014 906 Irrigation Order/Notice; and
 - (ii) 041 402 351 Irrigation District Resolution.
5. Clause 4.1 shall be amended by deleting the words "...the 15 day of May, 2009..." and replacing them with "...the later of May 15, 2009 or the 21st day following approval of this Contract by the Court of Queens Bench of Alberta".
6. Clause 11.2 shall be amended by adding the following sentence: "If any party to this Contract is constituted of two or more persons each of them shall be jointly and severally liable hereunder."
7. Clause 11.5 is deleted and replaced with the following:

11.5 Additional terms of sale:

 - (a) The Buyer shall be permitted to have access to the Property prior to the Completion Day for the purposes of spring preparation and seeding, and for no other purposes, if the following conditions have first been met:
 - (i) the Buyer shall not be in default;

Handwritten signature or initials, possibly 'S' and 'J'.

- (ii) all conditions precedent to the Contract shall have been satisfied or waived;
 - (iii) the Buyer shall have provided to the Seller (and shall at all times maintain) evidence of satisfactory insurance coverage listing "Ernst & Young Inc. in its capacity as receiver and manager of McGillivray & Sera Farms Ltd." as an additional insured; and
 - (iv) the Buyer shall have signed and delivered to the Seller an agreement in the form attached hereto as Schedule A.
- (b) Notwithstanding anything to the contrary in clause 5.1 no adjustment shall be made in respect of and the Buyer shall be solely responsible for all amounts owed or becoming payable to the St. Mary River Irrigation District in respect of the calendar year 2009.
- (c) All surface lease revenue for oil or gas wells and right of ways to be transferred to the Buyer and adjusted on Completion Day.
8. Clause 12.6 is deleted and replaced with the following:
- 12.6 The Seller's Conditions are:
- This Contract is conditional upon the Seller obtaining approval of Purchase Price and all other terms of this Contract from the Court of Queen's Bench of Alberta on or before May 15, 2009 (the "**Condition Day**").
9. For clarity, the Seller reserves the right to convey title to the Buyer by way of a vesting order granted by the Court of Queens Bench of Alberta or any other court of competent jurisdiction and in such case the order shall be deemed to be the "Transfer" for all purposes of the Contract, including without limitation clause 8.1.
10. For clarity, the reference to "Jan Jonker + or Nominee" in the Agreement is intended to confirm that the Agreement may be assigned without the need to obtain the Seller's consent, provided for clarity that no assignment shall operate as a release or in any way relieve the assignee from its obligations under the Agreement, as amended from time to time.
11. The Buyer and the Seller authorize their respective solicitors to act as agent for the purpose of receiving from the other of them all monies and documents and the receipt thereof by such party's solicitor shall be a good discharge therefor.
12. The Buyer acknowledges that Ernst & Young Inc. is entering into the Contract, as amended by this Addendum, in its capacity as the receiver and manager of McGillivray & Sera Farms Ltd. and not in its own capacity. The Buyer specifically agrees that Ernst & Young Inc. shall incur no personal liability in connection herewith and releases and indemnifies Ernst & Young Inc. from any claims arising hereunder.

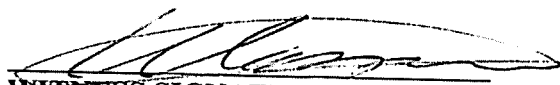
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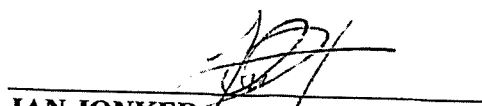
5 5

13. This Addendum shall enure to the benefit of and shall be binding upon the Buyer and the Seller and their respective heirs, executors, administrators, successors and assigns.

Signed by the Buyer on April 16, 2009 before
me at Bow Island, Alberta.


WITNESS SIGNATURE

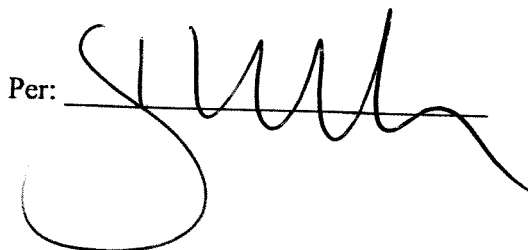
CHRIS KLASSEN
PRINT NAME


JAN JONKER

Signed by the Seller on April 17, 2009.

MCGILLIVRAY & SERA FARMS LTD.
by its receiver and manager **ERNST &
YOUNG INC.**

ERNST & YOUNG INC.

Per: 

Schedule A

Form of Access Agreement

(attached)

A handwritten signature in black ink, appearing to be 'J. S. A.', located in the bottom right corner of the page.

ACCESS AGREEMENT

DATED the 16 day of April, 2009.

BETWEEN:

MCGILLIVRAY & SERA FARMS LTD. by its receiver and
manager **ERNST & YOUNG INC.** (the "Vendor")

- and -

JAN JONKER (the "Purchaser")

RECITALS:

- A. Pursuant to an Agricultural Real Estate Purchase Contract made by the Purchaser on April 8, 2009 and accepted by the Vendor, as amended from time to time (the "Agreement") the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor those lands in the County of 40 Mile, Alberta, legally described as:

First: Meridian 4 Range 11 Township 10
Section 10
Quarter South West
Excepting thereout:

	Hectares	(Acres)	More or less
A) Plan 031 1514 Subdivision	10.387	25.67	
Containing 64.7 Hectares (160 Acres) more or less			
Excepting thereout all mines and minerals			

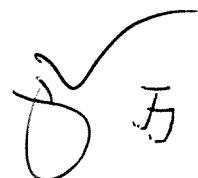
Second: Plan 931 0234
Block 1
Lot 1
Excepting thereout all mines and minerals
Area: 45.44 Hectares (112.28 Acres) more or less,

upon the terms and conditions therein set forth.

- B. The Purchaser wishes to commence spring preparation and seeding on the Lands as soon as possible, and the Vendor has agreed to grant the Purchaser access to the Lands on the terms set out herein.

AGREEMENT:

1. The Purchaser shall be entitled to access to the Lands for the limited purposes and on the conditions set forth herein.

Handwritten signature and initials, possibly "J.J." and "E.Y.", in black ink.

2. The Purchaser's right of access shall be subject to the Vendor's prior written consent, such consent not to be unreasonably withheld, and such right of access to the Lands shall be limited to:
 - (a) spring preparation; and
 - (b) potato planting or seeding of other crops,the particulars of which entry and work are to be disclosed to the Vendor in conjunction with the request for the Vendor's written approval.
3. To the extent that the Purchaser does not complete the transaction contemplated in the Purchase Agreement, the Purchaser shall at its sole expense and upon the request of the Vendor restore the Lands to their original condition within thirty (30) days of the Completion Day (as defined in the Purchase Agreement).
4. Any entry onto the Lands by the Purchaser prior to transfer of title to the Purchaser shall be at the Purchaser's sole risk and the Purchaser hereby indemnifies the Vendor from all loss, damage, claims or demands (including legal costs on a solicitor and his or her own client full indemnity basis) that the Vendor may suffer as a result of the Purchaser's use or possession of the Lands prior to such date. Further, the Purchaser shall have it in effect prior to any entry onto the Lands a policy of general liability insurance in respect of its proposed operations thereon in an amount and with such insurer as may be satisfactory to the Vendor. The Purchaser shall provide evidence of such coverage prior to any entry onto the Lands.
5. This agreement shall not create any interest in land and neither this agreement nor shall any notice hereof be registered at the Land Titles Office.
6. Capitalized terms used herein and not specifically defined shall have the same meanings as set forth in the Agreement.
7. This agreement may be executed in counter part and all copies whether sent by facsimile, emailed in PDF format or original copies will be deemed to be one in the same document.
8. Time shall continue to remain of the essence of the agreement.
9. This agreement shall enure to the benefit of the parties and their respective successors and assigns. If any party is constituted of two or more persons each of those persons shall be jointly and severally liable hereunder.

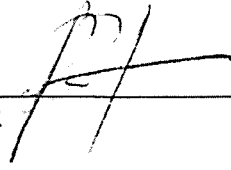
A handwritten signature or set of initials, possibly 'S' and 'J', is located in the bottom right corner of the page.

10. The Purchaser acknowledges that Ernst & Young Inc. is entering into this agreement in its capacity as the receiver and manager of McGillivray & Sera Farms Ltd. and not in its own capacity. The Purchaser specifically agrees that Ernst & Young Inc. shall incur no personal liability in connection herewith and releases and indemnifies Ernst & Young Inc. from any claims arising hereunder.

IN WITNESS OF WHICH the parties have executed this agreement under seal as witnessed by the signature(s) of their duly authorized officers.

Signed by the Purchaser on April ____, 2009
before me at ____, Alberta.


WITNESS SIGNATURE

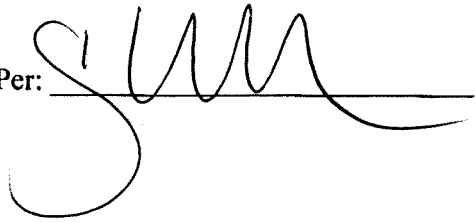

JAN JONKER

CHARLES C. LASSEN
PRINT NAME

Signed by the Vendor on April 17, 2009.

MCGILLIVRAY & SERA FARMS LTD.
by its receiver and manager **ERNST & YOUNG INC.**

ERNST & YOUNG INC.

Per: 



AGRICULTURAL REAL ESTATE PURCHASE CONTRACT

070409
Purchase Contract Number

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

PART A - OFFER TO PURCHASE

This Contract is between
and

THE SELLER

THE BUYER

Name Ernst & Young Inc. Receiver & Manager
Name For McGillivray & Sera Farms Inc.

Name Vare Kamp Farms Ltd.
Name _____

1. THE PROPERTY

1.1 The Property is the Land, Buildings, Attached Goods (unless excluded) and included Unattached Goods and other considerations as per clause 1.6 below, excluding all mines and minerals.

1.2 Municipal Address:

County of 40 Mile

1.3 Legal Description (as set out below or on attached Land Description Schedule):

Deeded Lands

W. of	Range	Township	Section	Part	Acres
4	11	10	3	NE 1/4	154.57 m/L
4	11	9	22	NE 1/4	160 m/L

Assignment of Lease of

W. of	Range	Township	Section	Part	Acres

1.4 All Attached Goods (fixtures) except for:

1.5 No Unattached Goods (specific chattels) except for:

262 Acres permanent SMRID
Water rights (Natural Gas Pumping Unit)
2004 Valley 7 tower pivot, tall tires
Drop tubes Valley Phase converter #106-11-RT
8 Tower Reinke Pivot Model 65 #189-4728
Marathon Electric Motor & Corneil pump
As is where is

1.6 Other considerations as per the attached Schedules:

- ☐ Schedule A: Surface Leases/Income ☐ Schedule E: Quotas
☐ Schedule B: Grazing Leases/Permits ☐ Financing Schedule
☐ Schedule C: Property Leases ☒ Addendum
☐ Schedule D: Water Rights/Irrigation
☐ Country Residential/Agricultural Property Schedule
☐ Land Description Schedule
☐ Other

1.7 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on Title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature, and non-financial encumbrances which have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances:

2. THE TRANSACTION

2.1 Other than the Deposits, the Buyer shall pay the Purchase Price by certified cheque, lawyer's trust cheque, bank draft or other agreed value as follows:

\$ \$150,000.00 Initial Deposit

\$ _____ Additional Deposit

\$ _____ Assumption of Mortgage
(approximate principal balance)

\$ _____

\$ _____ New Financing

\$ _____ Seller Financing
(as per attached Financing Schedule)

\$ \$1,125,000.00 Other Value

\$ 1,105,000 Balance Owning
(subject to adjustments)

\$ 1,255,000.00 Purchase Price
(excluding GST)

\$ 1,275,001.00 T.V. Buyer's Initials

- 2.2 The Purchase Price does not include GST. In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

3. DEPOSITS

- 3.1 All Deposits shall be delivered in trust to

Info Market Corp OMAL Real Estate

Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer.

- 3.2 The Initial Deposit shall be deposited no later than the second Business Day following the day that Final Signing occurred (as per clause 20.1). Additional Deposits shall be deposited no later than the second Business Day following the day the Additional Deposit is received by the brokerage.
- 3.3 Any Additional Deposits shall be delivered as follows:
- 3.4 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer.
- 3.5 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:
- applied against the Commission (as defined in the Agricultural Real Estate Listing Contract or any other commission agreement signed by the Seller) and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Listing Contract or any other commission agreement signed by the Seller;
 - refunded forthwith to the Buyer if this offer is not accepted;
 - refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per clauses 12.8 and 12.9) or the Seller fails to perform this Contract; and
 - forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.
- 3.6 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.
- 3.7 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:
- the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposit;
 - if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
 - the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposit a reasonable fee and costs incurred for dealing with the Deposit;
 - a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposit except as arising from the negligence of the brokerage or lawyer.

[Signature] Seller's Initials

4. COMPLETION DAY

- 4.1 Subject to compliance with the terms hereof, possession of the Land shall be available and given to the Buyer on or before 12 noon of the 15 day of May, 2019 (the "Completion Day"), subject to the rights of the existing tenants, if any, and Buildings/Farmstead on the _____ day of _____, subject to the rights of the existing tenants, if any. All harvested crops remain the property of the Seller and will be removed by the _____ day of _____, and all unharvested crops by the _____ day of _____, after which time the crops or any part thereof not removed shall become the absolute property of the Buyer.

When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.

5. ADJUSTMENTS

- 5.1 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, surface leases (if any), mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.

6. LATE PAYMENT

- 6.1 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid.
- 6.2 If the Seller fails to deliver the closing documents as described in Section 8, then payment of the Purchase Price and interest will be postponed until the Buyer has received the closing documents and has a reasonable period of time to register them.
- 6.3 If the Buyer has not paid the entire Purchase Price, then the Seller may give the Buyer possession upon reasonable terms.

7. CLOSING COSTS

- 7.1 The Seller shall pay and discharge any financial encumbrance which is not by this Contract specifically assumed by the Buyer. The Seller's lawyer shall be permitted to pay and discharge any encumbrances from the sale proceeds and shall do so within a reasonable time.

8. TRANSFER OF LAND

- 8.1 Closing documents shall:
- consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a transaction of this nature;
 - be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.
- 8.2 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.

[Signature] Buyer's Initials

8.3 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage; provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.

8.4 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

9. INSURANCE

9.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds will be held in trust for the Buyer and the Seller according to their interests in the Property.

10. WARRANTIES AND REPRESENTATIONS

10.1 The Seller warrants that:

- (a) the Seller has the legal right to sell the Property;
- (b) the Attached Goods and Included Unattached Goods are in normal working order and are free and clear of all encumbrances;
- (c) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
- (d) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach on neighbouring lands, except where an encroachment agreement is in place;
- (e) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Completion Day, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
- (f) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
- (g) the Seller is not in breach of any contract with respect to the Property;
- (h) the Seller is not in breach of any obligation to any third party with respect to the Property;
- (i) within the meaning of the *Income Tax Act* (Canada), the Seller is not now, nor will be on the Completion Day, a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada; and
- (j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.

10.2 The Buyer warrants that, prior to completion, it is NOT an "ineligible person" or a "foreign controlled corporation" and is eligible to purchase "controlled land" as those terms are defined in the *Foreign Ownership of Land Regulations*.

10.3 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.

10.4 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no other warranties, representations or collateral agreements made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.

Seller's Initials

10.5 The representations and warranties in this Contract shall survive the completion of purchase and sale and may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).

10.6 The Buyer shall have the right to register a caveat against the Title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, the Buyer agrees to forthwith discharge that caveat.

11. ADDITIONAL TERMS/HOLDBACK

11.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.

11.2 This Contract is for the benefit of and shall be binding upon the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of corporate parties.

11.3 All changes of number and gender shall be made where required.

11.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta regarding any dispute that may arise out of this transaction.

11.5 Additional terms of sale, if any:

Upon acceptance & court approval of this offer
buyer to have access to the land
for spring preparation

(Attach Schedule if necessary and have initialled by both parties.)

11.6 In the event that the additional terms of this Contract are not fulfilled, there shall be a holdback of \$ _____

for _____ days
from the Completion Day to allow compliance by the Seller. These monies will be held in trust by the Buyer's lawyer and if terms are not satisfied, these monies shall be released to the Buyer.

12. CONDITIONS

12.1 The Buyer will verify, at the Buyer's expense, that the water supply meets the following criteria: _____

_____ before 9 p.m.
on _____.

12.2 **Buyer's Financing Condition:** It is a condition precedent to this offer that the Buyer is able to place a new mortgage(s) and/or assume the existing mortgage(s) upon terms acceptable to the Buyer in order to fund the purchase of the Property. The Buyer shall have an opportunity to obtain such financing until before 9 p.m. on _____.

12.3 **Buyer's Due Diligence Condition:** It is a condition precedent of this offer that the Buyer shall have until before 9 p.m. on _____

_____ to inspect and accept the Property, the Permitted Encumbrances and all relevant information and records relating thereto. The Seller agrees to provide at its cost the following documents within _____ () Business Days after the date of Final Signing of this offer:

Buyer's Initials

- (a) operational information respecting the Property;
- (b) copies of all other contracts currently pertaining to the Property;
- (c) copies of any reports and particulars of all maintenance work done by the Seller;
- (d) copies of any other pertinent documents, correspondence, work orders and deficiency notices in the possession of the Seller;
- (e) copies of any environmental assessment reports in the possession of the Seller relating to environmental contamination of any kind at or on the Property; whether or not such reports exist, the Buyer, at its own expense, may engage consultants to inspect and make such tests and observations as the Buyer may deem necessary. Copies of all such reports shall be provided to the Seller without cost, whether or not the sale of the Property is completed;
- (f) a Real Property Report reflecting the current state of improvements on the Property, according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance;
- (g) any plans and specifications relating to the original construction and improvements to the Property;
- (h) a copy of the existing Title(s) # attached hereto as Schedule "A";
- (i) other documents as listed below:

12.4 The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

12.5 Additional Buyer's Conditions:

Before 9 p.m. on _____
(the "Condition Day").

12.6 The Seller's Conditions are:

Subject to Court Approval

Before 9 p.m. on April 30, 2009
(the "Condition Day").

Seller's Initials

- 12.7 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.
- 12.8 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day.
- 12.9 Subject to clause 12.7, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

13. REMEDIES/DISPUTES

- 13.1 If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all available remedies.

14. SECURITY FOR THE SELLER'S BROKERAGE'S FEES

- 14.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

15. ADVICE

- 15.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.
- 15.2 This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.
- 15.3 Unless there is a dual agency or another written agreement, the Seller's brokerage represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.
- 15.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or the real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

16. DEFINITIONS

16.1 In this Contract:

- (a) Business Day means a day when the Land Titles Office is open for business.
- (b) Buyer's Agent means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Buyer.
- (c) Seller's Agent means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Seller.

17. REPRESENTATIVES/NOTICE

Note: The Representative Information must be completed in full by the Buyer's Agent at the offer stage prior to the Contract being signed in order to permit communication on the Representatives.

- 17.1 The Representatives identified in clause 17.2 represent the Seller and the Buyer.
- 17.2 For the purposes of giving and receiving any notice referred to in this Contract, and for acceptance of an offer to purchase, communication must be in writing and must be delivered to the address or faxed to the number described below.

A notice sent or received by a Representative is proper notice for the purposes of this Contract.

Buyer's Initials

070409

Seller's Information:

Seller's Address 1000 - 440 2nd Avenue
S.W. Calgary AB

Phone 403-206-5000 Fax 403-206-5073 (postal code)

Seller's GST # _____

Seller's Representative: Blaine / Chris

Broker, associate broker or agent registered to the brokerage

Brokerage Name Info Market Group

GMAC Real Estate

Brokerage Address 5329 - 48 Avenue

Taber T1G 1S7

Phone _____ Fax _____ (postal code)

Buyer's Information:

Buyer's Address Box 698 Bow Island

Phone 833-2251 TOK 060 (postal code)
 Cell 315 9424 Fax _____

Buyer's GST # _____

Buyer's Representative: Blaine / Chris

Broker, associate broker or agent registered to the brokerage

Brokerage Name INFO MARKET GROUP GMAC

Brokerage Address 5329 - 48 AVE.

Taber T1G 1S7

Phone (403)223-2350 Fax (403)223-9004 (postal code)

18. OFFER

18.1 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

18.2 This offer/counter offer shall be open for acceptance in-writing until 9 p.m. on April 9th T.V. 2009

SIGNED AND DATED at Taber

Alberta at 4 p.m. on the 8 day of

April 2009

Signature of Buyer

Signature of Witness

Tony Varekamp
 Print Name of Buyer

Blaine Mbress
 Print Name of Witness

Signature of Buyer

Signature of Witness

Print Name of Buyer

Print Name of Witness

PART B - ACCEPTANCE

19. ACCEPTANCE

19.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at Calgary, Ab.

Alberta at 3:00 p.m. on the 17th day of

April 2009

Signature of Seller

Signature of Witness

Ernst + Young Inc. in its capacity as Receiver

of the Billings + Sera Farms

Debbie Melkaer

Print Name of Seller

Peter Chisholm

Print Name of Witness

Signature of Seller

Signature of Witness

Print Name of Seller

Print Name of Witness

20. FINAL SIGNING

20.1 Final Signing of this Contract occurred at

3:00 p.m. on April 17, 2009

Initials of the person(s) who signed last

CONVEYANCING

Seller's Lawyer

Lawyer's Address

Lawyer's Phone

Fax

Buyer's Lawyer

Lawyer's Address

Lawyer's Phone

Fax

(postal code)

Addendum to Agricultural Real Estate Purchase Contract
(the "Addendum")

1. This Addendum forms part of the agricultural real estate purchase contract (the "**Contract**") designated as number 070409, which was made by the undersigned Buyer on April 8, 2009 and conditionally accepted by the undersigned Seller as of the date set out below, whereby the Buyer agreed to buy and the Seller agreed to sell *inter alia* the lands legally described as follows in certificates of title nos. 071372024+1 and 071372024+4:

First: The North East Quarter of Section Three (3) in Township Ten (10) Range Eleven (11) West of the Fourth Meridian Containing one hundred and sixty (160) Acres more or less,
 Excepting thereout out of the North East Quarter of Section Three (3) the Canal Right-of-Way on Plan 1090IX., Containing five and forty three hundredths (5.43) Acres more or less,
 Excepting thereout all mines and minerals

("NE3-10-11-4")

Second: Meridian 4 Range 11 Township 9
 Section 22
 Quarter North East
 Excepting thereout all mines and minerals
 Area: 64.7 Hectares (160 Acres) more or less

("NE22-9-11-4")

2. In this Addendum all initially capitalized words shall have the meaning assigned in the Contract except as otherwise defined herein. Any reference herein to a "clause" shall be a reference to the corresponding clause of the Agreement. If there is any conflict or inconsistency between this Addendum and the Contract, the terms of this Addendum shall prevail to the extent of such conflict or inconsistency. Except as and to the extent amended by this Addendum, the Buyer and the Seller ratify and affirm the Contract.
3. The following clauses of the Contract are hereby deleted entirely:
 - (a) clause 3.7;
 - (b) clauses 8.3 and 8.4;
 - (c) clause 10.1;
 - (d) clause 11.6; and
 - (e) clauses 12.1, 12.2, 12.3, 12.4, 12.5 and 12.7.

Two handwritten signatures are present in the bottom right corner of the document. The first signature is a stylized, cursive mark, and the second signature is a more formal, blocky mark.

4. Without limiting the generality of clause 1.7, the Buyer shall accept title to the Property subject to the following Permitted Encumbrances registered at the Alberta Land Titles Office:
 - (a) as to NE3-10-11-4:
 - (i) 1485KX Irrigation Order/Notice;
 - (ii) 731 011 502 Caveat;
 - (iii) 821 050 063 Utility Right of Way;
 - (iv) 861 005 478 Caveat;
 - (v) 861 005 479 Caveat;
 - (vi) 991 040 909 Caveat;
 - (vii) 991 372 697 Caveat; and
 - (viii) 011 309 455 Caveat;
 - (b) as to NE22-9-11-4:
 - (i) 1485KX Irrigation Order/Notice;
 - (ii) 731 013 419 Caveat;
 - (iii) 771 009 717 Utility Right of Way;
 - (iv) 771 075 151 Utility Right of Way;
 - (v) 791 013 034 Utility Right of Way;
 - (vi) 811 151 862 Caveat;
 - (vii) 981 285 046 Caveat;
 - (viii) 981 285 047 Caveat; and
 - (ix) 091 031 329 Utility Right of Way.
5. Clause 4.1 shall be amended by deleting the words "...the 15 day of May, 2009..." and replacing them with "...the later of May 15, 2009 or the 21st day following approval of this Contract by the Court of Queens Bench of Alberta".
6. Clause 11.2 shall be amended by adding the following sentence: "If any party to this Contract is constituted of two or more persons each of them shall be jointly and severally liable hereunder."

A handwritten signature in black ink, consisting of a stylized 'S' followed by a flourish and the initials 'T.V.'.

7. Clause 11.5 is deleted and replaced with the following:

11.5 Additional terms of sale:

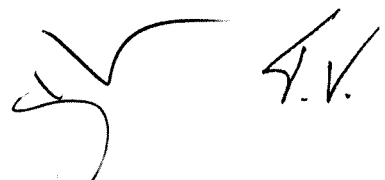
- (a) The Buyer shall be permitted to have access to the Property prior to the Completion Day for the purposes of spring preparation and seeding, and for no other purposes, if the following conditions have first been met:
 - (i) the Buyer shall not be in default;
 - (ii) all conditions precedent to the Contract shall have been satisfied or waived;
 - (iii) the Buyer shall have provided to the Seller (and shall at all times maintain) evidence of satisfactory insurance coverage listing "Ernst & Young Inc. in its capacity as receiver and manager of McGillivray & Sera Farms Ltd." as an additional insured; and
 - (iv) the Buyer shall have signed and delivered to the Seller an agreement in the form attached hereto as Schedule A.
- (b) Notwithstanding anything to the contrary in clause 5.1 no adjustment shall be made in respect of and the Buyer shall be solely responsible for all amounts owed or becoming payable to the St. Mary River Irrigation District in respect of the 2009 calendar year.
- (c) All surface lease revenue for oil or gas wells and right of ways to be transferred to the Buyer and adjusted on Completion Day.

8. Clause 12.6 is deleted and replaced with the following:

12.6 The Seller's Conditions are:

This Contract is conditional upon the Seller obtaining approval of Purchase Price and all other terms of this Contract from the Court of Queen's Bench of Alberta on or before May 15, 2009 (the "**Condition Day**").

- 9. For clarity, the Seller reserves the right to convey title to the Buyer by way of a vesting order granted by the Court of Queens Bench of Alberta or any other court of competent jurisdiction and in such case the order shall be deemed to be the "Transfer" for all purposes of the Contract, including without limitation clause 8.1.
- 10. The Buyer and the Seller authorize their respective solicitors to act as agent for the purpose of receiving from the other of them all monies and documents and the receipt thereof by such party's solicitor shall be a good discharge therefore.
- 11. The Buyer acknowledges that Ernst & Young Inc. is entering into the Contract, as amended by this Addendum, in its capacity as the receiver and manager of McGillivray

Handwritten signature and initials, possibly "J.V.", in the bottom right corner of the page.

& Sera Farms Ltd. and not in its own capacity. The Buyer specifically agrees that Ernst & Young Inc. shall incur no personal liability in connection herewith and releases and indemnifies Ernst & Young Inc. from any claims arising hereunder.

12. This Addendum shall enure to the benefit of and shall be binding upon the Buyer and the Seller and their respective heirs, executors, administrators, successors and assigns.

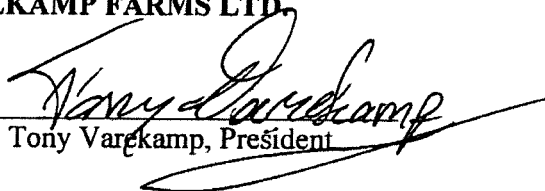
Signed by the Buyer on April 16, 2009
before me at Bow Island, Alberta.


WITNESS SIGNATURE

CHRIS LASSENS
PRINT NAME

VAREKAMP FARMS LTD.

Per:

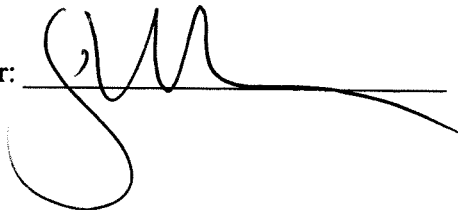

Tony Varekamp, President

Signed by the Seller on April 17, 2009.

MCGILLIVRAY & SERA FARMS LTD.
by its receiver and manager ERNST &
YOUNG INC.

ERNST & YOUNG INC.

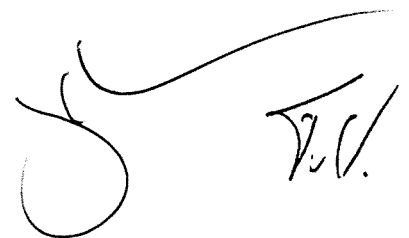
Per:



Schedule A

Form of Access Agreement

(attached)

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a flourish and the initials 'T.C.'.

ACCESS AGREEMENT

DATED the 16 day of April, 2009.

BETWEEN:

MCGILLIVRAY & SERA FARMS LTD. by its receiver and
manager **ERNST & YOUNG INC.** (the "Vendor")

- and -

VAREKAMP FARMS LTD. (the "Purchaser")

RECITALS:

- A. Pursuant to an Agricultural Real Estate Purchase Contract made by the Purchaser on April 8, 2009 and accepted by the Vendor, as amended from time to time (the "Agreement") the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor those lands in the County of 40 Mile, Alberta, legally described as:

First: The North East Quarter of Section Three (3) in Township Ten (10) Range Eleven (11) West of the Fourth Meridian Containing one hundred and sixty (160) Acres more or less,
Excepting thereout out of the North East Quarter of Section Three (3) the Canal Right-of-Way on Plan 1090IX., Containing five and forty three hundredths (5.43) Acres more or less,
Excepting thereout all mines and minerals

Second: Meridian 4 Range 11 Township 9
Section 22
Quarter North East
Excepting thereout all mines and minerals
Area: 64.7 Hectares (160 Acres) more or less,

upon the terms and conditions therein set forth.

- B. The Purchaser wishes to commence spring preparations and seeding on the Lands as soon as possible, and the Vendor has agreed to grant the Purchaser access to the Lands on the terms set out herein.

AGREEMENT:

1. The Purchaser shall be entitled to access to the Lands for the limited purposes and on the conditions set forth herein.

A handwritten signature in black ink, appearing to be 'J.M. T.V.', is located in the bottom right corner of the document.

2. The Purchaser's right of access shall be subject to the Vendor's prior written consent, such consent not to be unreasonably withheld, and such right of access to the Lands shall be limited to:

- (a) spring preparation; and
- (b) potato planting or seeding of other crops,

the particulars of which entry and work are to be disclosed to the Vendor in conjunction with the request for the Vendor's written approval.

3. To the extent that the Purchaser does not complete the transaction contemplated in the Purchase Agreement, the Purchaser shall at its sole expense and upon the request of the Vendor restore the Lands to their original condition within thirty (30) days of the Completion Day (as defined in the Purchase Agreement).
4. Any entry onto the Lands by the Purchaser prior to transfer of title to the Purchaser shall be at the Purchaser's sole risk and the Purchaser hereby indemnifies the Vendor from all loss, damage, claims or demands (including legal costs on a solicitor and his or her own client full indemnity basis) that the Vendor may suffer as a result of the Purchaser's use or possession of the Lands prior to such date. Further, the Purchaser shall have it in effect prior to any entry onto the Lands a policy of general liability insurance in respect of its proposed operations thereon in an amount and with such insurer as may be satisfactory to the Vendor. The Purchaser shall provide evidence of such coverage prior to any entry onto the Lands.
5. This agreement shall not create any interest in land and neither this agreement nor shall any notice hereof be registered at the Land Titles Office.
6. Capitalized terms used herein and not specifically defined shall have the same meanings as set forth in the Agreement.
7. This agreement may be executed in counter part and all copies whether sent by facsimile, emailed in PDF format or original copies will be deemed to be one in the same document.
8. Time shall continue to remain of the essence of the agreement.
9. This agreement shall enure to the benefit of the parties and their respective successors and assigns. If any party is constituted of two or more persons each of those persons shall be jointly and severally liable hereunder.

A handwritten signature in black ink, appearing to be 'J. V. K.', located in the bottom right corner of the page.

10. The Purchaser acknowledges that Ernst & Young Inc. is entering into this agreement in its capacity as the receiver and manager of McGillivray & Sera Farms Ltd. and not in its own capacity. The Purchaser specifically agrees that Ernst & Young Inc. shall incur no personal liability in connection herewith and releases and indemnifies Ernst & Young Inc. from any claims arising hereunder.

IN WITNESS OF WHICH the parties have executed this agreement under seal as witnessed by the signature(s) of their duly authorized officers.

Signed by the Purchaser on April 16, 2009
before me at Bow Island, Alberta.


WITNESS SIGNATURE

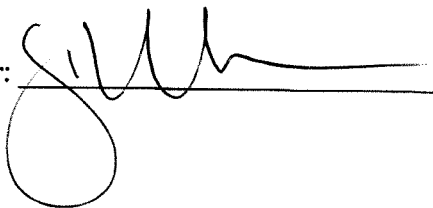
CHRIS CLASSENS
PRINT NAME


VAREKAMP FARMS LTD
Per: _____
Tony Varekamp, President

Signed by the Vendor on April 17, 2009.

MCGILLIVRAY & SERA FARMS LTD.
by its receiver and manager **ERNST &
YOUNG INC.**

ERNST & YOUNG INC.

Per: 

1467011Apr07
Purchase Contract Number

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

THE SELLER

This Contract is between
and

THE BUYER

Name Ernst & Young Inc. Receiver and Manager

Name Nico & Jaap Remijn and/or nominee

Name of Mc Gillivray & Sons Farmers Ltd

Name Laus Stiekema and/or nominee

1.6 Other considerations as per the attached Schedules:

- 1.1 The Property is the Land, Buildings, Attached Goods (unless excluded) and included Unattached Goods and other considerations as per clause 1.6 below, excluding all mines and minerals.**

- 1.2 Municipal Address:**
County of 40 mile

- 1.3 Legal Description (as set out below or on attached Land Description Schedule):**

☐ Schedule A: Surface Leases/Income ☐ Schedule E: Quotas
☐ Schedule B: Grazing Leases/Permits ☐ Financing Schedule
☐ Schedule C: Property Leases ☒ Addendum 13
☐ Schedule D: Water Rights/Irrigation
☐ Country Residential/Agricultural Property Schedule
☐ Land Description Schedule
☐ Other

W. of	Range	Township	Section	Part	Acres
4	11	10	2	NE	156
4	11	10	1	NW	159

Assignment of Lease of

[illegible]

- 1.4 All Attached Goods (fixtures) except for:**
-8 Twister steel hopperbottom bins

- 1.5 No Unattached Goods (specific chattels) except for:**
- Two 8 tower Reinke pivot c/w pumps
 - all ventilation pipes and ventilation and humidification equipment
 - 7 grain bins
 - All equipment "as is where is"

- 1.7 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on Title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature, and non-financial encumbrances which have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances:

2. THE TRANSACTION

- 2.1 Other than the Deposits, the Buyer shall pay the Purchase Price by certified cheque, lawyer's trust cheque, bank draft or other agreed value as follows:

\$ 20000.- Initial Deposit

\$ 300,000.- Additional Deposit

\$ _____ Assumption of Mortgage
(approximate principal balance)

\$ _____

\$ _____ New Financing

\$ _____ Seller Financing
(as per attached Financing Schedule)

\$ _____ Other Value _____

\$ 2880000 - Balance Owning
(subject to adjustments)

\$ 3200.00/- Purchase Price
(excluding GST)

© January 2006 The Alberta Real Estate Association

Seller's Initials

Buyer's Initials

- 2.2 The Purchase Price does not include GST. In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

3. DEPOSITS

- 3.1 All Deposits shall be delivered in trust to
Info Market Group GMAC

Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer.

Within 5 business days of acceptance

- 3.2 The Initial Deposit shall be deposited no later than the second Business Day following the day that Final Signing occurred (as per clause 20.1). Additional Deposits shall be deposited no later than the second Business Day following the day the Additional Deposit is received by the brokerage.

- 3.3 Any Additional Deposits shall be delivered as follows:

*By certified cheque directly to
INFO Market Group GMAC upon acceptance*

- 3.4 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer.

- 3.5 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:

- (a) applied against the Commission (as defined in the Agricultural Real Estate Listing Contract or any other commission agreement signed by the Seller) and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Listing Contract or any other commission agreement signed by the Seller;
- (b) refunded forthwith to the Buyer if this offer is not accepted;
- (c) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per clauses 12.8 and 12.9) or the Seller fails to perform this Contract; and
- (d) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.

- 3.6 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

- 3.7 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:

- (a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposit;
- (b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
- (c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposit a reasonable fee and costs incurred for dealing with the Deposit;
- (d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposit except as arising from the negligence of the brokerage or lawyer.

Seller's Initials

Buyer's Initials

4. COMPLETION DAY

- 4.1 Subject to compliance with the terms hereof, possession of the Land shall be available and given to the Buyer on or before 12 noon of the 22 day of May

2009 (the "Completion Day"), subject to the rights of the existing tenants, if any, and Buildings/Farmstead on the 15 day of July, 2009, subject to the rights of the existing tenants, if any. All harvested crops remain the property of the Seller and will be removed by the 15 day of July, 2009, and all unharvested crops by the _____ day of _____, after which time the crops or any part thereof not removed shall become the absolute property of the Buyer.

When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.

5. ADJUSTMENTS

- 5.1 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, surface leases (if any), mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.

6. LATE PAYMENT

- 6.1 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid.
- 6.2 If the Seller fails to deliver the closing documents as described in Section 8, then payment of the Purchase Price and interest will be postponed until the Buyer has received the closing documents and has a reasonable period of time to register them.
- 6.3 If the Buyer has not paid the entire Purchase Price, then the Seller may give the Buyer possession upon reasonable terms.

7. CLOSING COSTS

- 7.1 The Seller shall pay and discharge any financial encumbrance which is not by this Contract specifically assumed by the Buyer. The Seller's lawyer shall be permitted to pay and discharge any encumbrances from the sale proceeds and shall do so within a reasonable time.

8. TRANSFER OF LAND

- 8.1 Closing documents shall:

- (a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a transaction of this nature;
- (b) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.

- 8.2 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.

8.3 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage; provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.

8.4 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

9. INSURANCE

9.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds will be held in trust for the Buyer and the Seller according to their interests in the Property.

10. WARRANTIES AND REPRESENTATIONS

10.1 The Seller warrants that:

- (a) the Seller has the legal right to sell the Property;
- (b) the Attached Goods and included Unattached Goods are in normal working order and are free and clear of all encumbrances;
- (c) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
- (d) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach on neighbouring lands, except where an encroachment agreement is in place;
- (e) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Completion Day, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
- (f) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
- (g) the Seller is not in breach of any contract with respect to the Property;
- (h) the Seller is not in breach of any obligation to any third party with respect to the Property;
- (i) within the meaning of the *Income Tax Act* (Canada), the Seller is not now, nor will be on the Completion Day, a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada; and
- (j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.

10.2 The Buyer warrants that, prior to completion, it is NOT an "ineligible person" or a "foreign controlled corporation" and is eligible to purchase "controlled land" as those terms are defined in the *Foreign Ownership of Land Regulations*.

10.3 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.

10.4 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no other warranties, representations or collateral agreements made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.

10.5 The representations and warranties in this Contract shall survive the completion of purchase and sale and may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).

10.6 The Buyer shall have the right to register a caveat against the Title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, the Buyer agrees to forthwith discharge that caveat.

11. ADDITIONAL TERMS/HOLDBACK

11.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.

11.2 This Contract is for the benefit of and shall be binding upon the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of corporate parties.

11.3 All changes of number and gender shall be made where required.

11.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta regarding any dispute that may arise out of this transaction.

11.5 Additional terms of sale, if any:

- Buyer to have access to the land and irrigation equipment upon removal of all conditions

(Attach Schedule if necessary and have initialled by both parties.)

11.6 In the event that the additional terms of this Contract are not fulfilled, there shall be a holdback of \$ _____

for _____ days from the Completion Day to allow compliance by the Seller. These monies will be held in trust by the Buyer's lawyer and if terms are not satisfied, these monies shall be released to the Buyer.

12. CONDITIONS

12.1 The Buyer will verify, at the Buyer's expense, that the water supply meets the following criteria: _____

_____ before 9 p.m. on _____.

12.2 **Buyer's Financing Condition:** It is a condition precedent to this offer that the Buyer is able to place a new mortgage(s) and/or assume the existing mortgage(s) upon terms acceptable to the Buyer in order to fund the purchase of the Property. The Buyer shall have an opportunity to obtain such financing until before 9 p.m. on _____.

12.3 **Buyer's Due Diligence Condition:** It is a condition precedent of this offer that the Buyer shall have until before 9 p.m. on _____

_____ to inspect and accept the Property, the Permitted Encumbrances and all relevant information and records relating thereto. The Seller agrees to provide at its cost the following documents within _____ () Business Days after the date of Final Signing of this offer.

Seller's Initials

Buyer's Initials

- (a) **operational information** respecting the Property;
 (b) copies of all **other contracts** currently pertaining to the Property;
 (c) copies of any **reports** and particulars of all maintenance work done by the Seller;
 (d) copies of any **other pertinent documents**, correspondence, work orders and deficiency notices in the possession of the Seller;
 (e) copies of any **environmental assessment reports** in the possession of the Seller relating to environmental contamination of any kind at or on the Property; whether or not such reports exist, the Buyer, at its own expense, may engage consultants to inspect and make such tests and observations as the Buyer may deem necessary. Copies of all such reports shall be provided to the Seller without cost, whether or not the sale of the Property is completed;
 (f) a **Real Property Report** reflecting the current state of improvements on the Property, according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance;
 (g) any **plans and specifications** relating to the original construction and improvements to the Property;
 (h) a copy of the existing Title(s) # attached hereto as Schedule "A";
 (i) **other documents** as listed below:

12.4 The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

12.5 Additional Buyer's Conditions:

Before 9 p.m. on _____
 (the "Condition Day").

12.6 The Seller's Conditions are:

Subject to Court of Alberta approval.

Before 9 p.m. on April 20 2007
 (the "Condition Day").

Seller's Initials

Buyer's Initials

12.7 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

12.8 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day.

12.9 Subject to clause 12.7, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

13. REMEDIES/DISPUTES

13.1 If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all available remedies.

14. SECURITY FOR THE SELLER'S BROKERAGE'S FEES

14.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

15. ADVICE

15.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.

15.2 This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

15.3 Unless there is a dual agency or another written agreement, the Seller's brokerage represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.

15.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or the real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

16. DEFINITIONS

16.1 In this Contract:

(a) **Business Day** means a day when the Land Titles Office is open for business.

(b) **Buyer's Agent** means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Buyer.

(c) **Seller's Agent** means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Seller.

17. REPRESENTATIVES/NOTICE

Note: The Representative information must be completed in full by the Buyer's Agent at the offer stage prior to the Contract being signed in order to permit communication on the Representatives.

17.1 The Representatives identified in clause 17.2 represent the Seller and the Buyer.

17.2 For the purposes of giving and receiving any notice referred to in this Contract, and for acceptance of an offer to purchase, communication must be in writing and must be delivered to the address or faxed to the number described below.

A notice sent or received by a Representative is proper notice for the purposes of this Contract.

Seller's Information:

Seller's Address _____
 1000 440-2nd Ave SW
 Calgary T2P 5E9
 (postal code)

Phone _____ Fax _____

Seller's GST # _____

Seller's Representative:

Chris Classens & Blaine Gross
 Broker, associate broker or agent registered to the brokerage

Brokerage Name _____

Info Market Group GMAC

Brokerage Address _____

Taber

Phone _____ Fax _____ (postal code)

Buyer's Information:

Buyer's Address _____

Box 25
 Cranford T0K 0R0
 (postal code)

Phone 223-5282 Fax 223-5282

Buyer's GST # _____

Buyer's Representative:

CHRIS CLASSENS and BLAINE GROSS
 Broker, associate broker or agent registered to the brokerage

Brokerage Name INFO MARKET GROUP GMAC

Brokerage Address 1817 - 20 Avenue

Coaldale TIM 1M7

Phone [403]345-5100 Fax [403]345-5521 (postal code)

18. OFFER

18.1 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

18.2 This offer/counter offer shall be open for acceptance in writing until 5 p.m. on April 18, 2009.

SIGNED AND DATED at Cranford

Alberta at 3:30 p.m. on the 7 day of April, 2009.

Signature of Buyer

Signature of Witness

Nico & Jaap Remijn

Print Name of Buyer

Signature of Buyer

Laus Stiekema

Print Name of Buyer

CHRIS CLASSENS

Print Name of Witness

Signature of Witness

CHRIS CLASSENS

Print Name of Witness

PART B - ACCEPTANCE

19. ACCEPTANCE

19.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at CALGARY

Alberta at 5:00 p.m. on the 17 day of April, 2009

Signature of Seller

Signature of Witness

Ernst & Young Inc.

Print Name of Seller

Print Name of Witness

in its capacity as Receiver Manager of McGillivray and Sera Farms

Signature of Seller

Signature of Witness

Print Name of Seller

Print Name of Witness

20. FINAL SIGNING

20.1 Final Signing of this Contract occurred at

5 .m. on Apr 17/09

Initials of the person(s) who signed last

CONVEYANCING

Seller's Lawyer

Lawyer's Address

Lawyer's Phone

Buyer's Lawyer

Lawyer's Address

Lawyer's Phone

(postal code)

Fax

(postal code)

Addendum to Agricultural Real Estate Purchase Contract
(the "Addendum")

1. This Addendum forms part of the agricultural real estate purchase contract (the "Contract") designated as number 1467011Apr07, which was made by the undersigned Buyer on April 8, 2009 and conditionally accepted by the undersigned Seller as of the date set out below, whereby the Buyer agreed to buy and the Seller agreed to sell *inter alia* the lands legally described as follows in certificates of title nos. 071 372 024 +2 and 071 372 024:

First: The North East Quarter of Section Two (2), in Township (10), Range (11), West of the Fourth Meridian in the Province of Alberta, containing one hundred and sixty (160) acres more or less

Excepting those portions on the following plans:

Plan	Number	Acres more or less
Access Right of Way	7326GX	3
Road Widening	7833HI	1

Excepting thereout all mines and minerals

(the "North East Quarter")

Second: Meridian 4 Range 11 Township 10
Section 1
Quarter North West
Containing 64.7 Hectares (160 Acres) more or less
Excepting the road widening on Plan 7833HI
Containing .405 of a Hectare (1 Acre) more or less
Excepting thereout all mines and minerals

(the "North West Quarter")

2. In this Addendum all initially capitalized words shall have the meaning assigned in the Contract except as otherwise defined herein. Any reference herein to a "clause" shall be a reference to the corresponding clause of the Agreement. If there is any conflict or inconsistency between this Addendum and the Contract, the terms of this Addendum shall prevail to the extent of such conflict or inconsistency. Except as and to the extent amended by this Addendum, the Buyer and the Seller ratify and affirm the Contract.
3. The following clauses of the Contract are hereby deleted entirely:
- (a) clause 3.7;
 - (b) clauses 8.3 and 8.4;
 - (c) clause 10.1;
 - (d) clause 11.6; and

AS of J/13

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- (e) clauses 12.1, 12.2, 12.3, 12.4, 12.5 and 12.7.
4. Without limiting the generality of clause 1.7, the Buyer shall accept title to the Property subject to the following Permitted Encumbrances registered at the Alberta Land Titles Office:
- (a) as to the North East Quarter:
 - (i) 831 072 717 Irrigation Order/Notice;
 - (ii) 841 165 249 Restrictive Covenant; and
 - (iii) 081 423 742 Utility Right of Way;
 - (b) as to the North West Quarter:
 - (i) 831 072 717 Irrigation Order/Notice;
 - (ii) 841 165 249 Restrictive Covenant; and
 - (iii) 881 140 038 Utility Right of Way.
5. Clause 4.1 shall be amended by deleting the words "...the 22 day of May, 2009..." and replacing them with "...the later of May 22, 2009 or the 21st day following approval of this Contract by the Court of Queens Bench of Alberta".
6. Clause 11.2 shall be amended by adding the following sentence: "If any party to this Contract is constituted of two or more persons each of them shall be jointly and severally liable hereunder."
7. Clause 11.5 is deleted and replaced with the following:
- 11.5 Additional terms of sale:
- (a) The Buyer shall be permitted to have access to the Property prior to the Completion Day for the purposes of spring preparation and seeding, and for no other purposes, if the following conditions have first been met:
 - (i) the Buyer shall not be in default;
 - (ii) all conditions precedent to the Contract shall have been satisfied or waived;
 - (iii) the Buyer shall have provided to the Seller (and shall at all times maintain) evidence of satisfactory insurance coverage listing "Ernst & Young Inc. in its capacity as receiver and manager of McGillivray & Sera Farms Ltd." as an additional insured; and
 - (iv) the Buyer shall have signed and delivered to the Seller an agreement in the form attached hereto as Schedule A.

Handwritten signature and initials, possibly "SG" and "M. SR", in black ink.

(b) For clarity, the Buyer acknowledges and agrees that the residence located on the Property is currently occupied by Jos Bastiaansen and Corien Bastiaansen and their family (collectively, the "**Tenant**"), who shall be entitled to remain in possession thereof as tenant for a fixed term expiring on July 1, 2009. The terms of such tenancy shall include the following:

- (i) the Tenant shall have the right to use all fixtures and related improvements on the Property which are appurtenant to the residence, including without limitation any related garage or outbuildings and any existing driveway or access road; and
- (ii) the Tenant shall be responsible to pay for all utilities consumed by the Tenant but shall not be liable for any other rental costs or expenses.

Prior to the Completion Day the Seller shall arrange for the Tenant to enter into a written lease directly with the Buyer wherein the Tenant acknowledges that it shall vacate the Property no later than July 1, 2009 (or at the option of the Purchaser, the Seller shall enter into such written lease which shall be assigned by the Seller and assumed by the Buyer effective as of the Completion Day).

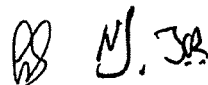
(c) Notwithstanding anything to the contrary in clause 5.1 no adjustment shall be made in respect of and the Buyer shall be solely responsible for all amounts owed or becoming payable to the St. Mary River Irrigation District in respect of the calendar year 2009.

8. Clause 12.6 is deleted and replaced with the following:

12.6 The Seller's Conditions are:

This Contract is conditional upon the Seller obtaining approval of Purchase Price and all other terms of this Contract from the Court of Queen's Bench of Alberta on or before May 15, 2009 (the "**Condition Day**"). This condition may not be waived by either party.

- 9. For clarity, the Seller reserves the right to convey title to the Buyer by way of a vesting order granted by the Court of Queens Bench of Alberta or any other court of competent jurisdiction and in such case the order shall be deemed to be the "Transfer" for all purposes of the Contract, including without limitation clause 8.1.
- 10. The Buyer and the Seller authorize their respective solicitors to act as agent for the purpose of receiving from the other of them all monies and documents and the receipt thereof by such party's solicitor shall be a good discharge therefor.
- 11. The Buyer acknowledges that Ernst & Young Inc. is entering into the Contract, as amended by this Addendum, in its capacity as the receiver and manager of McGillivray & Sera Farms Ltd. and not in its own capacity. The Buyer specifically agrees that Ernst & Young Inc. shall incur no personal liability in connection herewith and releases and indemnifies Ernst & Young Inc. from any claims arising hereunder.

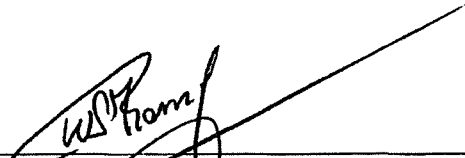


12. This Addendum shall enure to the benefit of and shall be binding upon the Buyer and the Seller and their respective heirs, executors, administrators, successors and assigns.

Signed before me at Taber, Alberta
on April 17, 2009.


WITNESS SIGNATURE

RICHARD W. SUGDEN
PRINT NAME


NICO REMIJN

Signed before me at Taber, Alberta
on April 17, 2009.


WITNESS SIGNATURE

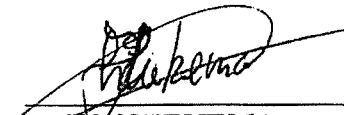
RICHARD W. SUGDEN
PRINT NAME


JAAP REMIJN

Signed before me at Taber, Alberta
on April 17, 2009.


WITNESS SIGNATURE

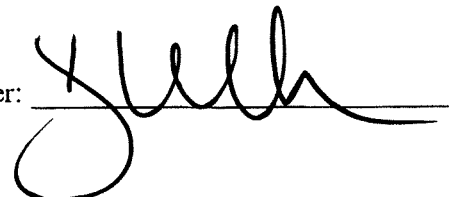
RICHARD W. SUGDEN
PRINT NAME


LAUS STIEKEMA

Signed by the Seller on April 17, 2009.

MCGILLIVRAY & SERA FARMS LTD.
by its receiver and manager ERNST &
YOUNG INC.

ERNST & YOUNG INC.

Per: 

Schedule A

Form of Access Agreement

(attached)

RL
NY
SR.

ACCESS AGREEMENT

DATED the ____ day of May, 2009.

BETWEEN:

MCGILLIVRAY & SERA FARMS LTD. by its receiver and
manager **ERNST & YOUNG INC.** (the "Vendor")

- and -

NICO REMIJN, JAAP REMIJN and LAUS STIEKEMA
(collectively, the "Purchaser")

RECITALS:

- A. Pursuant to an Agricultural Real Estate Purchase Contract made by the Purchaser on April 7, 2009 and accepted by the Vendor, as amended from time to time (the "Agreement"), the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor those lands in the County of 40 Mile, Alberta, legally described as:

First The North East Quarter of Section Two (2), in Township (10), Range (11),
West of the Fourth Meridian in the Province of Alberta, containing one
hundred and sixty (160) acres more or less
Excepting those portions on the following plans:

Plan	Number	Acres more or less
Access Right of Way	7326GX	3
Road Widening	7833HI	1

Excepting thereout all mines and minerals

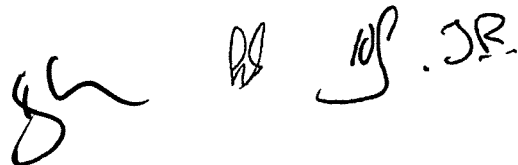
Second: Meridian 4 Range 11 Township 10
Section 1
Quarter North West
Containing 64.7 Hectares (160 Acres) more or less
Excepting the road widening on Plan 7833HI
Containing .405 of a Hectare (1 Acre) more or less
Excepting thereout all mines and minerals,

upon the terms and conditions therein set forth.

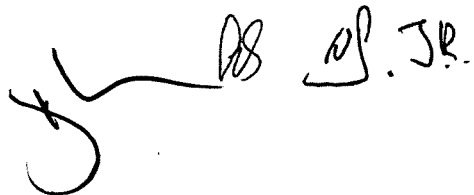
- B. The Purchaser wishes to commence spring preparations and seeding on the Lands as soon as possible, and the Vendor has agreed to grant the Purchaser access to the Lands on the terms set out herein.

AGREEMENT:

1. The Purchaser shall be entitled to access to the Lands for the limited purposes and on the conditions set forth herein.



2. The Purchaser's right of access shall be subject to the Vendor's prior written consent, such consent not to be unreasonably withheld, and such right of access to the Lands shall be limited to:
 - (a) spring preparation;
 - (b) seeding, and
 - (c) operate irrigation equipment to water the land;the particulars of which entry and work are to be disclosed to the Vendor in conjunction with the request for the Vendor's written approval.
3. To the extent that the Purchaser does not complete the transaction contemplated in the Purchase Agreement, the Purchaser shall at its sole expense and upon the request of the Vendor restore the Lands to their original condition within thirty (30) days of the Completion Day (as defined in the Purchase Agreement).
4. Any entry onto the Lands by the Purchaser prior to transfer of title to the Purchaser shall be at the Purchaser's sole risk and the Purchaser hereby indemnifies the Vendor from all loss, damage, claims or demands (including legal costs on a solicitor and his or her own client full indemnity basis) that the Vendor may suffer as a result of the Purchaser's use or possession of the Lands prior to such date. Further, the Purchaser shall have it in effect prior to any entry onto the Lands a policy of general liability insurance in respect of its proposed operations thereon in an amount and with such insurer as may be satisfactory to the Vendor. The Purchaser shall provide evidence of such coverage prior to any entry onto the Lands.
5. The Purchaser acknowledges that the residence located on the Lands and all fixtures and related improvements on the Lands which are appurtenant to the residence, including without limitation any related garage or outbuildings and any existing driveway or access road, are the subject of a prior lease and that the rights of the Purchaser under this agreement are subject to the prior lease.
6. This agreement shall not create any interest in land and neither this agreement nor shall any notice hereof be registered at the Land Titles Office.
7. Capitalized terms used herein and not specifically defined shall have the same meanings as set forth in the Agreement.
8. This agreement may be executed in counter part and all copies whether sent by facsimile, emailed in PDF format or original copies will be deemed to be one in the same document.
9. Time shall continue to remain of the essence of the agreement.
10. This agreement shall enure to the benefit of the parties and their respective heirs, executors, successors and assigns. If any party is constituted of two or more persons each of those persons shall be jointly and severally liable hereunder.



11. The Purchaser acknowledges that Ernst & Young Inc. is entering into this agreement in its capacity as the receiver and manager of McGillivray & Sera Farms Ltd. and not in its own capacity. The Purchaser specifically agrees that Ernst & Young Inc. shall incur no personal liability in connection herewith and releases and indemnifies Ernst & Young Inc. from any claims arising hereunder.

IN WITNESS OF WHICH the parties have executed this agreement under seal as witnessed by the signature(s) of their duly authorized officers.

Signed before me at Taber, Alberta
on April 17, 2009.


WITNESS SIGNATURE

RICHARD W. SUGDEN
PRINT NAME


NICO REMIJN

Signed before me at Taber, Alberta
on April 17, 2009.


WITNESS SIGNATURE

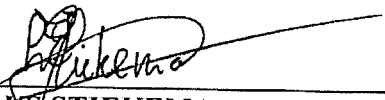
RICHARD W. SUGDEN
PRINT NAME


JAAP REMIJN

Signed before me at Taber, Alberta
on April 17, 2009.


WITNESS SIGNATURE

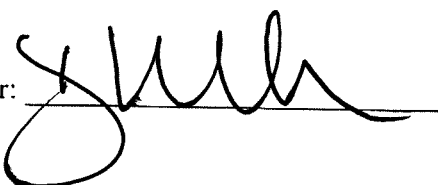
RICHARD W. SUGDEN
PRINT NAME

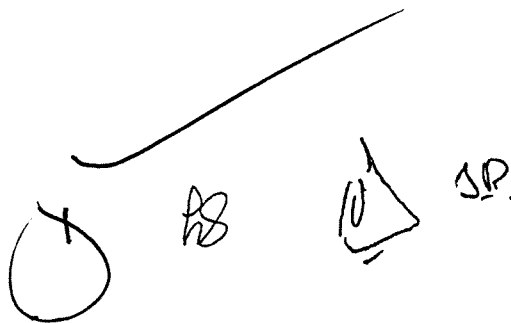

LAUS STIEKEMA

Signed by the Vendor on April 17, 2009.

MCGILLIVRAY & SERA FARMS LTD.
by its receiver and manager **ERNST & YOUNG INC.**

ERNST & YOUNG INC.

Per: 



Appendix B



CERTIFIED COPY OF
Certificate of Title

S

LINC SHORT LEGAL
0029 917 200 4;11;10;10;SW

TITLE NUMBER: 071 372 024 +5
TRANSFER OF LAND
DATE: 25/07/2007

AT THE TIME OF THIS CERTIFICATION

MCGILLIVRAY & SERA FARMS LTD..
OF BOX 39
BOW ISLAND
ALBERTA T0K 0G0

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

MERIDIAN 4 RANGE 11 TOWNSHIP 10
SECTION 10
QUARTER SOUTH WEST
CONTAINING 64.7 HECTARES(160 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

	HECTARES	(ACRES)	MORE OR LESS
A) PLAN 0311514 SUBDIVISION	10.387	25.67	

EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS			
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS	
1485KX .	21/06/1971	IRRIGATION ORDER/NOTICE THIS PROPERTY IS INCLUDED IN THE ST. MARY RIVER IRRIGATION DISTRICT	
731 011 502	09/05/1973	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.	
771 075 123	10/06/1977	UTILITY RIGHT OF WAY GRANTEE - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.	
891 120 732	27/06/1989	WATER RESOURCES ACT CERTIFICATE "OVER LSD'S 3 & 4 IN THE SW 10 - 10 - 11 - W4 FOR BENEFIT OF E 1/2 10 - 10 - 11 - W4"	
991 140 999	20/05/1999	CAVEAT RE : SURFACE LEASE CAVEATOR - TERRAQUEST ENERGY CORPORATION. 700 550 11TH AVE SW CALGARY ALBERTA T2R1M7 (DATA UPDATED BY: TRANSFER OF CAVEAT	

CERTIFIED COPY OF
Certificate of Title

PAGE 2

SHORT LEGAL 4;11;10;10;SW
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +5

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		021095697)
011 100 498	18/04/2001	EASEMENT OVER SW 10-10-11-W4M FOR BENEFIT OF SE 9-10-11-W4M
031 251 395	28/07/2003	AGREEMENT REMOTE DELIVERY AGREEMENT WITH: THE ST. MARY RIVER IRRIGATION DISTRICT
041 359 689	21/09/2004	CAVEAT RE : UTILITY RIGHT OF WAY CAVEATOR - ST MARY RIVER IRRIGATION DISTRICT. P.O. BOX 278 LETHBRIDGE ALBERTA T1J3Y7
041 359 690	21/09/2004	CAVEAT RE : ACCESS AGREEMENT CAVEATOR - ST MARY RIVER IRRIGATION DISTRICT. P.O. BOX 278 LETHBRIDGE ALBERTA T1J3Y7
041 402 351	21/10/2004	IRRIGATION DISTRICT RESOLUTION PART OF AN IRRIGABLE UNIT 9910234;1;1 4;11;10;10;SW PTN.
061 350 884	28/08/2006	MORTGAGE MORTGAGEE - FRIESLAND FARMS LTD.. PO BOX 94 SHAUGHNESSY ALBERTA T0K2A0 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000 (DATA UPDATED BY: TRANSFER OF MORTGAGE 091064465)
071 372 025	25/07/2007	MORTGAGE MORTGAGEE - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 ORIGINAL PRINCIPAL AMOUNT: \$5,590,000
071 372 026	25/07/2007	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
071 531 553	26/10/2007	CAVEAT RE : POSTPONEMENT CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN

(CONTINUED)

CERTIFIED COPY OF
Certificate of Title

SHORT LEGAL 4;11;10;10;SW
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +5

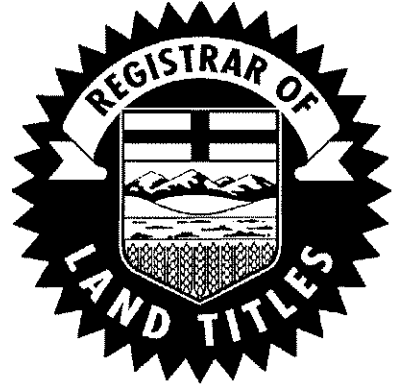
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
081 016 359	11/01/2008	WRIT CREDITOR - AGCOM PETROLEUM SALES LTD.. C/O PRITCHARD & COMPANY LLP 204, 430-6 AVENUE SE MEDICINE HAT ALBERTA T1A7E8 DEBTOR - MCGILLIVRAY & SARA FARMS LTD.. PO BOX 218 STATION MAIN LETHBRIDGE ALBERTA T1J3Y5 AMOUNT: \$104,110 AND COSTS IF ANY ACTION NUMBER: 0706-00678
081 146 071	22/04/2008	CAVEAT RE : NOTICE OF INTENTION TO SELL UNDER CIVIL ENFORCEMENT ACT CAVEATOR - CONSOLIDATED CIVIL ENFORCEMENT INC.. SUITE 150, 633-6 AVE SW CALGARY ALBERTA T2P2Y5 AGENT - LOUISE E MUIR
081 267 823	25/07/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806-00395
081 344 945	12/09/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806 00395
091 097 548	14/04/2009	ORDER IN FAVOUR OF - ERNST & YOUNG INC.. 1000, 440 - 2ND AVENUE S.W. CALGARY ALBERTA T2P5E9 RECEIVERSHIP ORDER

Certificate of Title

TITLE NUMBER: 071 372 024 +5

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 14 DAY OF APRIL ,2009



****SUPPLEMENTARY INFORMATION****

CONSIDERATION: SEE INSTRUMENT
MUNICIPALITY: COUNTY OF FORTY MILE NO. 8
REFERENCE NUMBER:
031 167 108 +1
TOTAL INSTRUMENTS: 019

CERTIFIED COPY OF
Certificate of Title



S

LINC SHORT LEGAL
0015 099 971 4;11;9;22;NE

TITLE NUMBER: 071 372 024 +4
TRANSFER OF LAND
DATE: 25/07/2007

AT THE TIME OF THIS CERTIFICATION

MCGILLIVRAY & SERA FARMS LTD..
OF BOX 39
BOW ISLAND
ALBERTA T0K 0G0

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

MERIDIAN 4 RANGE 11 TOWNSHIP 9
SECTION 22
QUARTER NORTH EAST
EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
1485KX .	21/06/1971	IRRIGATION ORDER/NOTICE THIS PROPERTY IS INCLUDED IN THE ST. MARY RIVER IRRIGATION DISTRICT
731 013 419	15/05/1973	CAVEAT RE : EASEMENT CAVEATOR - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.
771 009 717	26/01/1977	UTILITY RIGHT OF WAY GRANTEE - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.
771 075 151	10/06/1977	UTILITY RIGHT OF WAY GRANTEE - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.
791 013 034	25/01/1979	UTILITY RIGHT OF WAY GRANTEE - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED. AS TO PORTION OR PLAN:7810304 "TAKE PRIORITY OF CAVEAT 771112268 REGISTERED 17/08/1977"
811 151 862	11/08/1981	CAVEAT RE : EASEMENT CAVEATOR - THE BOARD OF DIRECTORS OF THE ST. MARY RIVER IRRIGATION DISTRICT

CERTIFIED COPY OF
Certificate of Title

PAGE 2

SHORT LEGAL 4;11;9;22;NE
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
981 285 046	16/09/1998	CAVEAT RE : PIPELINE AGREEMENT CAVEATOR - THE BOARD OF DIRECTORS OF ST. MARY RIVER IRRIGATION DISTRICT. P.O. BOX 278, LETHBRIDGE ALBERTA T1J3Y7
981 285 047	16/09/1998	CAVEAT RE : EASEMENT CAVEATOR - THE BOARD OF DIRECTORS OF ST. MARY RIVER IRRIGATION DISTRICT. P.O. BOX 278, LETHBRIDGE ALBERTA T1J3Y7
061 350 884	28/08/2006	MORTGAGE MORTGAGEE - FRIESLAND FARMS LTD.. PO BOX 94 SHAUGHNESSY ALBERTA T0K2A0 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000 (DATA UPDATED BY: TRANSFER OF MORTGAGE 091064465)
071 372 025	25/07/2007	MORTGAGE MORTGAGEE - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 ORIGINAL PRINCIPAL AMOUNT: \$5,590,000
071 372 026	25/07/2007	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
071 531 553	26/10/2007	CAVEAT RE : POSTPONEMENT CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
081 016 359	11/01/2008	WRIT CREDITOR - AGCOM PETROLEUM SALES LTD.. C/O PRITCHARD & COMPANY LLP 204, 430-6 AVENUE SE MEDICINE HAT ALBERTA T1A7E8 DEBTOR - MCGILLIVRAY & SARA FARMS LTD.. PO BOX 218 STATION MAIN LETHBRIDGE ALBERTA T1J3Y5 AMOUNT: \$104,110 AND COSTS IF ANY ACTION NUMBER: 0706-00678

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CERTIFIED COPY OF
Certificate of Title

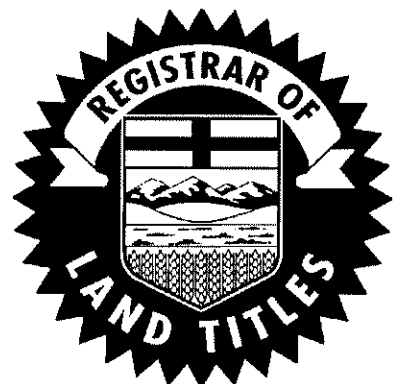
PAGE 3

SHORT LEGAL 4;11;9;22;NE
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
081 146 075	22/04/2008	CAVEAT RE : NOTICE OF INTENTION TO SELL UNDER CIVIL ENFORCEMENT ACT CAVEATOR - CONSOLIDATED CIVIL ENFORCEMENT INC.. SUITE 150, 633-6 AVE SW CALGARY ALBERTA T2P2Y5 AGENT - LOUISE E MUIR
081 267 823	25/07/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806-00395
081 344 945	12/09/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806 00395
091 031 329	02/02/2009	UTILITY RIGHT OF WAY GRANTEE - FORTISALBERTA INC..
091 097 548	14/04/2009	ORDER IN FAVOUR OF - ERNST & YOUNG INC.. 1000, 440 - 2ND AVENUE S.W. CALGARY ALBERTA T2P5E9 RECEIVERSHIP ORDER

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 14 DAY OF APRIL ,2009



(CONTINUED)

Certificate of Title

TITLE NUMBER: 071 372 024 +4

****SUPPLEMENTARY INFORMATION****

CONSIDERATION: SEE INSTRUMENT

MUNICIPALITY: COUNTY OF FORTY MILE NO. 8

REFERENCE NUMBER:

021 156 252

AREA:

64.7 HECTARES (160 ACRES) MORE OR LESS

TOTAL INSTRUMENTS: 018

CERTIFIED COPY OF
Certificate of Title



S

LINC SHORT LEGAL
0027 817 477 9910234;1;1

TITLE NUMBER: 071 372 024 +3
TRANSFER OF LAND
DATE: 25/07/2007

AT THE TIME OF THIS CERTIFICATION

MCGILLIVRAY & SERA FARMS LTD..
OF BOX 39
BOW ISLAND
ALBERTA T0K 0G0

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

DESCRIPTIVE PLAN 9910234
BLOCK 1
LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER

DATE (D/M/Y) PARTICULARS

001 014 906	17/01/2000	IRRIGATION ORDER/NOTICE INCLUDE LAND IN ST MARY RIVER IRRIGATION DISTRICT
041 402 351	21/10/2004	IRRIGATION DISTRICT RESOLUTION PART OF AN IRRIGABLE UNIT 9910234;1;1 4;11;10;10;SW PTN.
061 350 884	28/08/2006	MORTGAGE MORTGAGEE - FRIESLAND FARMS LTD.. PO BOX 94 SHAUGHNESSY ALBERTA T0K2A0 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000 (DATA UPDATED BY: TRANSFER OF MORTGAGE 091064465)
071 372 025	25/07/2007	MORTGAGE MORTGAGEE - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 ORIGINAL PRINCIPAL AMOUNT: \$5,590,000
071 372 026	25/07/2007	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW

CERTIFIED COPY OF
Certificate of Title

PAGE 2

SHORT LEGAL 9910234;1;1
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
071 531 553	26/10/2007	CAVEAT RE : POSTPONEMENT CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
081 016 359	11/01/2008	WRIT CREDITOR - AGCOM PETROLEUM SALES LTD.. C/O PRITCHARD & COMPANY LLP 204, 430-6 AVENUE SE MEDICINE HAT ALBERTA T1A7E8 DEBTOR - MCGILLIVRAY & SARA FARMS LTD.. PO BOX 218 STATION MAIN LETHBRIDGE ALBERTA T1J3Y5 AMOUNT: \$104,110 AND COSTS IF ANY ACTION NUMBER: 0706-00678
081 146 076	22/04/2008	CAVEAT RE : NOTICE OF INTENTION TO SELL UNDER CIVIL ENFORCEMENT ACT CAVEATOR - CONSOLIDATED CIVIL ENFORCEMENT INC.. SUITE 150, 633-6 AVE SW CALGARY ALBERTA T2P2Y5 AGENT - LOUISE E MUIR
081 267 823	25/07/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806-00395
081 344 945	12/09/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806 00395

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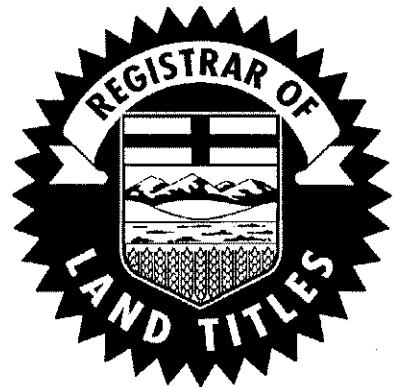
CERTIFIED COPY OF
Certificate of Title

SHORT LEGAL 9910234;1;1
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
091 097 548	14/04/2009	ORDER IN FAVOUR OF - ERNST & YOUNG INC.. 1000, 440 - 2ND AVENUE S.W. CALGARY ALBERTA T2P5E9 RECEIVERSHIP ORDER

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 14 DAY OF APRIL ,2009



SUPPLEMENTARY INFORMATION

CONSIDERATION: SEE INSTRUMENT
MUNICIPALITY: COUNTY OF FORTY MILE NO. 8
REFERENCE NUMBER:
011 088 685 +5
AREA:
45.44 HECTARES (112.28 ACRES) MORE OR LESS
ATS REFERENCE:
4;11;10;10;NW
TOTAL INSTRUMENTS: 011



CERTIFIED COPY OF
Certificate of Title

S

LINC SHORT LEGAL
0011 373 157 4;11;10;2;NE

TITLE NUMBER: 071 372 024 +2
TRANSFER OF LAND
DATE: 25/07/2007

AT THE TIME OF THIS CERTIFICATION

MCGILLIVRAY & SERA FARMS LTD..
OF BOX 39
BOW ISLAND
ALBERTA T0K 0G0

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

THE NORTH EAST QUARTER OF SECTION TWO (2), IN TOWNSHIP
(10), RANGE ELEVEN (11), WEST OF THE FOURTH MERIDIAN IN
THE PROVINCE OF ALBERTA, CONTAINING ONE HUNDRED AND SIXTY
(160) ACRES MORE OR LESS

EXCEPTING THOSE PORTIONS ON THE FOLLOWING PLANS:

PLAN	NUMBER	ACRES MORE OR LESS
ACCESS RIGHT OF WAY	7326GX	3
ROAD WIDENING	7833HI	1

EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
831 072 717	25/04/1983	IRRIGATION ORDER/NOTICE THIS PROPERTY IS INCLUDED IN THE ST. MARY RIVER IRRIGATION DISTRICT "THIS PROPERTY IS INCLUDED IN THE ST. MARY RIVER IRRIGATION DISTRICT"
841 165 249	04/10/1984	RESTRICTIVE COVENANT
061 350 884	28/08/2006	MORTGAGE MORTGAGEE - FRIESLAND FARMS LTD.. PO BOX 94 SHAUGHNESSY ALBERTA T0K2A0 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000 (DATA UPDATED BY: TRANSFER OF MORTGAGE 091064465)
071 372 025	25/07/2007	MORTGAGE MORTGAGEE - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 ORIGINAL PRINCIPAL AMOUNT: \$5,590,000

CERTIFIED COPY OF
Certificate of Title

PAGE 2

SHORT LEGAL 4;11;10;2;NE
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +2

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
071 372 026	25/07/2007	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
071 531 553	26/10/2007	CAVEAT RE : POSTPONEMENT CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
081 016 359	11/01/2008	WRIT CREDITOR - AGCOM PETROLEUM SALES LTD.. C/O PRITCHARD & COMPANY LLP 204, 430-6 AVENUE SE MEDICINE HAT ALBERTA T1A7E8 DEBTOR - MCGILLIVRAY & SARA FARMS LTD.. PO BOX 218 STATION MAIN LETHBRIDGE ALBERTA T1J3Y5 AMOUNT: \$104,110 AND COSTS IF ANY ACTION NUMBER: 0706-00678
081 146 073	22/04/2008	CAVEAT RE : NOTICE OF INTENTION TO SELL UNDER CIVIL ENFORCEMENT ACT CAVEATOR - CONSOLIDATED CIVIL ENFORCEMENT INC.. SUITE 150, 633-6 AVE SW CALGARY ALBERTA T2P2Y5 AGENT - LOUISE E MUIR
081 351 036	17/09/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVENUE SOUTH LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806 00395
081 423 742	13/11/2008	UTILITY RIGHT OF WAY GRANTEE - ALTAGAS UTILITIES INC..
091 097 548	14/04/2009	ORDER IN FAVOUR OF - ERNST & YOUNG INC.. 1000, 440 - 2ND AVENUE S.W. CALGARY

(CONTINUED)

CERTIFIED COPY OF
Certificate of Title

PAGE 3

SHORT LEGAL 4;11;10;2;NE
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +2

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		ALBERTA T2P5E9 RECEIVERSHIP ORDER

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 14 DAY OF APRIL ,2009



SUPPLEMENTARY INFORMATION

CONSIDERATION: SEE INSTRUMENT
MUNICIPALITY: COUNTY OF FORTY MILE NO. 8
REFERENCE NUMBER:
011 088 685 +4
TOTAL INSTRUMENTS: 011



CERTIFIED COPY OF
Certificate of Title

S

LINC SHORT LEGAL
0011 373 149 4;11;10;3;NE

TITLE NUMBER: 071 372 024 +1
TRANSFER OF LAND
DATE: 25/07/2007

AT THE TIME OF THIS CERTIFICATION

MCGILLIVRAY & SERA FARMS LTD..
OF BOX 39
BOW ISLAND
ALBERTA T0K 0G0

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

THE NORTH EAST QUARTER OF SECTION THREE (3) IN TOWNSHIP TEN (10)
RANGE ELEVEN (11) WEST OF THE FOURTH MERIDIAN CONTAINING ONE
HUNDRED AND SIXTY (160) ACRES MORE OR LESS,
EXCEPTING THEREOUT OUT OF THE NORTH EAST QUARTER OF SECTION
THREE (3) THE CANAL RIGHT-OF-WAY ON PLAN 1090IX., CONTAINING
FIVE AND FORTY THREE HUNDREDTHS (5.43) ACRES MORE OR LESS,

EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
1485KX .	21/06/1971	IRRIGATION ORDER/NOTICE THIS PROPERTY IS INCLUDED IN THE ST. MARY RIVER IRRIGATION DISTRICT
731 011 502	09/05/1973	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.
821 050 063	23/03/1982	CAVEAT RE : PIPELINE RIGHT OF WAY CAVEATOR - ICG UTILITIES (PLAINS-WESTERN) LTD.
861 005 478	13/01/1986	CAVEAT RE : SEE INSTRUMENT CAVEATOR - THE BOARD OF DIRECTORS OF THE ST. MARY RIVER IRRIGATION DISTRICT BOX 278, LETHBRIDGE ALBERTA T1J3Y7 AGENT - F.J BREWIN
861 005 479	13/01/1986	CAVEAT RE : OPTION AGREEMENT CAVEATOR - THE BOARD OF DIRECTORS OF THE ST. MARY RIVER IRRIGATION DISTRICT

(CONTINUED)

CERTIFIED COPY OF
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PAGE 2

SHORT LEGAL 4;11;10;3;NE
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +1

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		BOX 278, LETHBRIDGE ALBERTA T1J3Y7 AGENT - F.J BREWIN
991 040 909	11/02/1999	CAVEAT RE : SURFACE LEASE UNDER 20 ACRES CAVEATOR - TERRAQUEST ENERGY CORPORATION. 700 550 11TH AVE SW CALGARY ALBERTA T2R1M7 (DATA UPDATED BY: TRANSFER OF CAVEAT 021095697)
991 372 697	20/12/1999	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - TERRAQUEST ENERGY CORPORATION. 700 550 11TH AVE SW CALGARY ALBERTA T2R1M7 (DATA UPDATED BY: TRANSFER OF CAVEAT 021095697)
011 309 455	19/10/2001	CAVEAT RE : EASEMENT
061 350 884	28/08/2006	MORTGAGE MORTGAGEE - FRIESLAND FARMS LTD.. PO BOX 94 SHAUGHNESSY ALBERTA T0K2A0 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000 (DATA UPDATED BY: TRANSFER OF MORTGAGE 091064465)
071 372 025	25/07/2007	MORTGAGE MORTGAGEE - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 ORIGINAL PRINCIPAL AMOUNT: \$5,590,000
071 372 026	25/07/2007	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
071 531 553	26/10/2007	CAVEAT RE : POSTPONEMENT CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
081 016 359	11/01/2008	WRIT CREDITOR - AGCOM PETROLEUM SALES LTD.. C/O PRITCHARD & COMPANY LLP

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PAGE 3

SHORT LEGAL 4;11;10;3;NE
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024 +1

ENCUMBRANCES, LIENS & INTERESTS

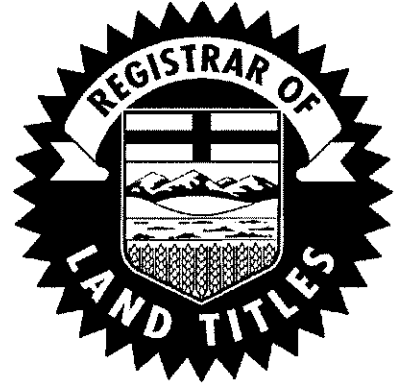
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		204, 430-6 AVENUE SE MEDICINE HAT ALBERTA T1A7E8 DEBTOR - MCGILLIVRAY & SARA FARMS LTD.. PO BOX 218 STATION MAIN LETHBRIDGE ALBERTA T1J3Y5 AMOUNT: \$104,110 AND COSTS IF ANY ACTION NUMBER: 0706-00678
081 146 074	22/04/2008	CAVEAT RE : NOTICE OF INTENTION TO SELL UNDER CIVIL ENFORCEMENT ACT CAVEATOR - CONSOLIDATED CIVIL ENFORCEMENT INC.. SUITE 150, 633-6 AVE SW CALGARY ALBERTA T2P2Y5 AGENT - LOUISE E MUIR
081 267 823	25/07/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806-00395
081 344 945	12/09/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806 00395
091 097 548	14/04/2009	ORDER IN FAVOUR OF - ERNST & YOUNG INC.. 1000, 440 - 2ND AVENUE S.W. CALGARY ALBERTA T2P5E9 RECEIVERSHIP ORDER

(CONTINUED)

Certificate of Title

TITLE NUMBER: 071 372 024 +1

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 14 DAY OF APRIL ,2009



****SUPPLEMENTARY INFORMATION****

CONSIDERATION: SEE INSTRUMENT
MUNICIPALITY: COUNTY OF FORTY MILE NO. 8
REFERENCE NUMBER:
011 088 685 +1
TOTAL INSTRUMENTS: 017

CERTIFIED COPY OF
Certificate of Title



S

LINC SHORT LEGAL
0022 766 299 4;11;10;1;NW

TITLE NUMBER: 071 372 024
TRANSFER OF LAND
DATE: 25/07/2007

AT THE TIME OF THIS CERTIFICATION

MCGILLIVRAY & SERA FARMS LTD..
OF BOX 39
BOW ISLAND
ALBERTA T0K 0G0

IS THE OWNER OF AN ESTATE IN FEE SIMPLE
OF AND IN

MERIDIAN 4 RANGE 11 TOWNSHIP 10
SECTION 1
QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THE ROAD WIDENING ON PLAN 7833HI
CONTAINING .405 OF A HECTARE (1 ACRE) MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

SUBJECT TO THE ENCUMBRANCES, LIENS AND INTERESTS NOTIFIED BY MEMORANDUM UNDER-
WRITTEN OR ENDORSED HEREON, OR WHICH MAY HEREAFTER BE MADE IN THE REGISTER.

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
831 072 717	25/04/1983	IRRIGATION ORDER/NOTICE THIS PROPERTY IS INCLUDED IN THE ST. MARY RIVER IRRIGATION DISTRICT
841 165 249	04/10/1984	RESTRICTIVE COVENANT
881 140 038	11/08/1988	UTILITY RIGHT OF WAY GRANTEE - ICG UTILITIES (ALBERTA) LTD..
071 372 025	25/07/2007	MORTGAGE MORTGAGEE - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 ORIGINAL PRINCIPAL AMOUNT: \$5,590,000
071 372 026	25/07/2007	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - NATIONAL BANK OF CANADA. 2700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - KEVIN W PLOWMAN
081 016 359	11/01/2008	WRIT

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PAGE 2

SHORT LEGAL 4;11;10;1;NW
NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		CREDITOR - AGCOM PETROLEUM SALES LTD.. C/O PRITCHARD & COMPANY LLP 204, 430-6 AVENUE SE MEDICINE HAT ALBERTA T1A7E8 DEBTOR - MCGILLIVRAY & SARA FARMS LTD.. PO BOX 218 STATION MAIN LETHBRIDGE ALBERTA T1J3Y5 AMOUNT: \$104,110 AND COSTS IF ANY ACTION NUMBER: 0706-00678
081 146 072	22/04/2008	CAVEAT RE : NOTICE OF INTENTION TO SELL UNDER CIVIL ENFORCEMENT ACT CAVEATOR - CONSOLIDATED CIVIL ENFORCEMENT INC.. SUITE 150, 633-6 AVE SW CALGARY ALBERTA T2P2Y5 AGENT - LOUISE E MUIR
081 267 823	25/07/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806-00395
081 344 945	12/09/2008	WRIT CREDITOR - K. B. HEATING & AIR CONDITIONING LTD.. C/O MILNE PRITCHARD LAW OFFICE 807, 400-4 AVE S LETHBRIDGE ALBERTA T1J4E1 DEBTOR - MCGILLIVRAY & SERA FARMS LTD.. BOX 39 BOW ISLAND ALBERTA T0K0G0 AMOUNT: \$66,220 AND COSTS IF ANY ACTION NUMBER: 0806 00395
091 056 509	02/03/2009	CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - FOREST LEASING INC.. C/O FRASER MILNER CASGRAIN LLP ATTENTION: BRIAN W SUMMERS 2900, 10180-101 STREET EDMONTON ALBERTA T5J3V5 AGENT - BRIAN W SUMMERS
091 097 548	14/04/2009	ORDER IN FAVOUR OF - ERNST & YOUNG INC..

(CONTINUED)

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NAME MCGILLIVRAY & SERA FARMS LTD.
NUMBER 071 372 024

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		1000, 440 - 2ND AVENUE S.W. CALGARY ALBERTA T2P5E9 RECEIVERSHIP ORDER

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE
REPRESENTED HEREIN THIS 14 DAY OF APRIL ,2009



SUPPLEMENTARY INFORMATION

CONSIDERATION: SEE INSTRUMENT
MUNICIPALITY: COUNTY OF FORTY MILE NO. 8
REFERENCE NUMBER:
011 088 685
TOTAL INSTRUMENTS: 011