

CANADA)
PROVINCE OF SASKATCHEWAN)

Q.B.G. No. 1234 of 2008

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF REGINA

BETWEEN:

FARM CREDIT CANADA

APPLICANT

- and -

NATURAL VALLEY FARMS INC.

RESPONDENT

- and -

**CONEXUS CREDIT UNION 2006, DOMCO CONSTRUCTION INC., CITICORP
VENDOR FINANCE LTD., JOHN DEERE LIMITED, CITICAPITAL COMMERCIAL
LEASING CORPORATION, FLYING D CATTLE COMPANY LTD., TOWN OF FOAM
LAKE, RURAL MUNICIPALITY OF FOAM LAKE NO. 276, NATIONAL LEASING
GROUP INC., CLIFTON ASSOCIATES LTD., SPERLING INDUSTRIES LTD.,
HORIZON CREDIT UNION and JOHN CRUIKSHANK**

RESPONDENTS

BEFORE THE HONOURABLE)
MR. JUSTICE M.J. HERAUF)
IN CHAMBERS)

TUESDAY, THE 23rd DAY OF
SEPTEMBER, 2008

SEAL

INTERIM RECEIVERSHIP ORDER

UPON the application of Farm Credit Canada in respect of Natural Valley Farms Inc. (the "Debtor"); and upon having read the Notice of Motion, the Affidavit of Gary Stooshinoff, and the Draft Interim Receivership Order; and upon reading the consent of Sullivan & Associates Inc. to act as interim receiver and receiver and manager (the "Receiver") of the Debtor, all filed; and upon noting the consent of Conexus Credit Union 2006 endorsed thereon; and upon hearing counsel for Farm Credit Canada; IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Notice of Motion and the supporting documents herein is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to s. 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("*BIA*"), s. 65(1) of *The Queen's Bench Act, 1998*, S.S. 1998, c. Q-I.01. (the "*QB Act*") and s.64(8) of *The Personal Property Security Act, 1993* c. P-6.2. Sullivan & Associates Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property, and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including at this time the Debtor's business in respect of the lease of the property as entered into with Natural Meat Company Inc., including the power to fulfill the obligations of the Debtor as Lessor thereunder and the power to enter into any agreements, incur any obligations in the ordinary course of the Debtor's business, cease to carry on all or any part of such business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
 - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to enter into leases of equipment in the course of the conduct of the Debtor's business, and to maintain any existing leases of equipment or other assets that the Debtor may have entered into prior to the date hereof, or in the discretion of the Receiver, to disclaim any leases and surrender the leased equipment to the lessor thereof, and without limiting the generality of the foregoing, to maintain and preserve the leases of equipment that may be utilized by Natural Meat Company under its lease with Natural Valley;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, and without limiting the generality of forgoing, to complete the participation in the Canada – Saskatchewan Specified Risk Material Management Program and to receive, pursue and collect all monies payable to the Debtor under or in respect of such Program, to enter into agreements in respect thereof, and to fully and effectively grant consents, releases, discharges or other instruments or agreements in respect thereof (and to apply to this Court for further direction in respect thereof on notice to any party with an interest in such monies or as directed by this Court;
- (h) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (l) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (m) to pursue restructuring, reorganizing or rearranging the financial and business affairs of the Debtor and pursue alternatives and proposals with respect thereof as part of an overall attempt to restructure, reorganize and rearrange the Debtor and its business either in its current form or in some other form or on some other basis

(provided that at all times any such reorganization or restructuring shall be subject to approval of this Court upon subsequent application as set forth below);

- (n) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

- (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00;and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under as. 59(10) of the *PPSA* shall not be required.

- (o) to apply for an order or orders approving a reorganization or restructuring of the Debtor, upon such terms, conditions and processes as may be directed by this Court, including but not necessary limited to a process to obtain creditor support for such restructuring, if this court directs that to be a requirement, and the processes by which such restructuring approval would be sought and obtained (without limiting the generality of the foregoing, the Receiver shall have the power to proceed with a proposal under the *Bankruptcy and Insolvency Act*);
- (p) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (q) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (r) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (s) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (t) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (u) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(v) to take any steps reasonably incidental to the exercise of these powers;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

POWERS OF DIRECTORS OF NATURAL VALLEY

4. Without limiting the application of s.91 of *The Business Corporations Act* (Saskatchewan), no person shall have, acquire or retain any power to act as a director of Natural Valley in respect of any matters that the Receiver is, under this Order or any amendments or extensions thereof, empowered to do in respect of Natural Valley, and the existing and future director(s) of Natural Valley shall not purport to exercise any power that the Receiver is hereunder authorized to exercise as long as the Receiver is appointed or unless further Order is made by this Court.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. The Debtor and (i) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf and (ii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the

Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement, if such proceeding is not commenced before the expiration of the stay provided by this paragraph 9.

NO EXERCISE OF RIGHTS OF REMEDIES

10. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license, lease, insurance contract or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court first obtained, provided that amounts payable in respect

thereof from and after the date of this Order are maintained by the Debtor or by the Receiver or any other party for and on behalf of the Debtor. Such agreements shall not be terminated as long as the payments due and owing hereafter (and excluding any amounts due as a result of acceleration or other default) are maintained. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined in section 11.1(1) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36) with the Debtor from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

12. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor (the "Goods and Services") are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such Goods and Services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court. Without limiting the generality of the forgoing, the Receiver shall be authorized to enter into agreements with respect to such Goods and Services including agreements with Natural Meat Company Inc.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court. This provision shall not apply to the monies payable to or in respect of the Debtor under the Canada – Saskatchewan Specified Risk Material Management Program as referred to herein, which amounts shall be dealt with as agreed between the Debtor and the secured creditors of the Debtor, Farm Credit Canada, Conexus Credit Union 2006 and Domco Construction Inc.

EMPLOYEES

14. Subject to the employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the

Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in Proceeding before a court or tribunal of competent jurisdiction.

15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale") or the reorganization or restructuring of the Debtor and its business. Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale or transaction, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property or the party or parties in such reorganization or restructuring shall be entitled to continue to use the personal information provided to it, and related to the Property, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or willful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof; where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order or within ten (10) days after the order is made if no time is so specified or within ten (10) days after the

appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within ten (10) days after the order is made or within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by s. 14.06 of the *BIA* or any other applicable legislation.

RECEIVER'S ACCOUNTS

17. Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver shall be at liberty and is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.
21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
27. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.

All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

28. The Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
29. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiffs security or, if not so provided by the Plaintiffs security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
30. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FURTHER SERVICE

31. The Applicant shall, within ten (10) days of the date of this Order, cause a copy of this Order to be served by prepaid ordinary mail on all persons to whom the Receiver is required to send notice pursuant to s. 245(1) of the *BIA*, and any such service shall be deemed to be received on the seventh day after mailing.
32. A true copy of the Order served pursuant to paragraph 30 above shall be accompanied by a cover letter in the form attached as Schedule "B" to this Order.
33. Every person who is served with a copy of the Order pursuant to paragraph 30, and who requires notice in respect of all further proceedings in this matter, shall provide to the Receiver and to counsel for the Applicant a demand for notice of such proceedings, which demand for notice shall be in the form and sent in the manner provided in the attached Schedule "B" to this Order (the "Demand for Notice") and shall contain an electronic mail address or a facsimile number to which such further notice of these proceedings shall be sent. The failure of any person to provide the Demand for Notice hereby releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings to any such person until such time as a properly completed Demand for Notice is received by each of the Receiver and the Applicant from such person.

ISSUED at the City of Regina, in the Province of Saskatchewan, this 23 day of September, 2008.

S. M. ...
LOCAL REGISTRAR

LOCAL REGISTRAR

This document was delivered by Balfour Moss, Barristers and Solicitors, #700, 2103 - 11th Avenue, Regina, Saskatchewan, S4P 4G1, Solicitors for the Applicant, Farm Credit Canada, whose address for service is the same as above.

Lawyer in charge of file: Rick M. Van Beselaere
Telephone: (306) 347-8316
File No.: 243.00.819 RMV

TO: The Respondents hereto

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT: \$ _____

1. THIS IS TO CERTIFY that Sullivan & Associates Inc., the interim receiver and receiver and manager (the 'Receiver') of all of the assets, undertakings and properties of Natural Valley Farms Inc. appointed by Order of the Court of Queen's Bench of Saskatchewan (the "Court") issued the __ day of September, 2008 (the "Order") made in action _____ has received as such Receiver from the holder of this certificate (the 'Lender') the principal sum of \$_____. being part of the total principal sum of up to \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the first day of each month after the date hereof at a notional rate per annum equal to the rate of ___ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest! thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake any personal liability to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the __ day of _____, 2008.

Sullivan & Associates Inc., solely in its capacity as
Receiver of the Property (as defined in the Order), and not
in its personal capacity

Per: _____

SCHEDULE "B"

COVER LETTER OF DEMAND FOR NOTICE

[Date]

[Address]
[Address]
[Address]
[Address]

Attention:

RE: IN THE MATTER OF THE RECEIVERSHIP OF NATURAL VALLEY FARMS INC.

A Receiver has been appointed by Order of the Court of Queen's Bench for Saskatchewan over the property, assets and undertaking of Natural Valley Farms Inc. Enclosed is a copy of the Court Order appointing Sullivan and Associates Inc. as Receiver.

You are being provided with a copy of the Order because you are a creditor of Natural Valley Farms Inc.

If you would like to receive notice of all further proceedings in relation to the Receivership of Natural Valley Farms Inc. please complete the Demand for Notice attached to this letter and send the Demand for Notice by electronic mail (email) or facsimile to each of the following persons:

1. Farm Credit Canada
c/o Balfour Moss LLP, Barristers and Solicitors
Attention: Rick M. Van Beselaere
Email: rick.vanbeselaere@balfourmoss.com
Fax: 306-347-8381
2. Sullivan & Associates Inc.
Attention: Clark Sullivan
Email: clark@sullivanfinancial.ca
Fax: 306-525-9209

if you fail to properly complete the Demand for Notice and forward the Demand for Notice by email or facsimile to each of the above-referenced persons indicating that you would like to receive further notice of the Receivership proceedings, then you will not receive, nor will you be entitled to receive, any further notice of the Receivership proceedings.

Yours truly,

DEMAND FOR NOTICE

TO:

1. Farm Credit Canada
c/o Balfour Moss LLP, Barristers and Solicitors
Attention: Rick M. Van Beselaere
Email: rick.vanbeselaere@balfourmoss.com
Fax: 306-347-8381

2. Sullivan & Associates Inc.
Attention: Clark Sullivan
Email: clark@sullivanfinancial.ca
Fax: 306-525-9209

Re: In the Matter of the Receivership of Natural Valley Farms Inc.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

(a) by email, at the following email address:

_____, or

(b) by facsimile, at the following facsimile number:

Signature: _____

Name of Creditor: _____

Address of Creditor: _____

Phone Number: _____

Email (if any): _____