

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

**SUPPLEMENTARY SIXTH REPORT OF
PRICEWATERHOUSECOOPERS INC.,
INTERIM RECEIVER OF SHANE SCOTT and MICHELLE SCOTT**

MacPherson Leslie & Tyerman LLP

Lawyers

1500 – 410 22nd Street East Saskatoon, Saskatchewan
S7K 5T6

Lawyer In Charge of File: Jeffrey M. Lee
Telephone: (306) 975-7100

INTRODUCTION

1. This supplementary report (the “**Supplementary Sixth Report**”) is filed by PricewaterhouseCoopers Inc. (“**PwC**”) in its capacity as interim receiver (the “**Receiver**”) of substantially all of the assets, undertakings and properties (collectively, the “**Property**”) of Shane Scott and Michelle Scott (collectively, the “**Debtors**”).
2. The Receiver was appointed by an Order granted by the Court of Queen’s Bench of Saskatchewan (the “**Court**”) on October 9, 2012 (the “**Interim Receivership Order**”).
3. It is recommended that this report be read in conjunction with the Sixth Report of the Receiver dated January 23, 2013, and Receiver’s prior reports, all of which can be found on our website at www.pwc.com/car-scott.
4. The purpose of this report is to provide further information to this Honourable Court in regard to an application by the Bank of Montreal to expand the role of the Interim Receiver by appointing PwC as full receiver of the Property.

OUTCOME OF THE CLAIMS PROCESS

5. The Amended Claims Process Order (the “**Claims Process Order**”) of the Honourable Madam Justice A.R. Rothery dated December 12, 2012, prescribes a process (the “**Claims Process**”) for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the “**Livestock**”) in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).
6. Having evaluated the Proofs of Claim, the Receiver has determined that the claims are neither as numerous or complex nor affect as many animals as anticipated. The Receiver has denied all but two Proofs of Claim. With respect to the two Proofs of Claim that the Receiver has allowed, the Debtors are in possession of fewer than 80 animals bearing the brands set out in the relevant Proofs of Claim. Thus, the majority of the animals in the Debtors’ possession (approximately 1,800) are either unbranded, bear the Debtors’ brand, appear not to be owned by any third party or were not the subject of a Proof of Claim (collectively, “**Unclaimed Livestock**”). Livestock subject to any Proof of Claim Response which may be appealed on or before the Appeals Bar Date (as defined below) are discussed in further detail below under the heading “Excluded Livestock”).
7. The following is a summary of the Proofs of Claim received by the Receiver (the “**Proofs of Claim**”), particulars as to the Livestock claimed pursuant to each Proof of Claim, and the response of the Receiver of each Proof of Claim (the “**Proof of Claim Responses**”). The Proof of Claim Responses, together with the corresponding Proofs of Claim and supporting documentation, are attached hereto as Appendix “1”.

Claimant	Allowed	Disallowed	No of Branded Cattle Claimed	No of Branded Cattle Identified
Sheldon and Belinda Guckert	X		217	21
Dirt Creek (Birchalls)	X		75	55
Shaunavon Elevator		X	N/A	N/A
Shaunavon Livestock		X	0	0
Mainline Sales		X	N/A	N/A
Lyle and Dolores Bowles		X	0	7
Garth Horton		X	148	26
Hame Tree Land and Cattle		X	65*	0
John and Diane Schmitt		X	65*	0
Lenard Teale		X	104	10
James Wilson		X	104	104

* The same cattle are claimed by both claimants.

THE EXCLUDED LIVESTOCK

8. Pursuant to paragraph 15 of the Claims Process Order, any person who wishes to appeal the determination by the Receiver of any Proof of Claim must, on or before February 1, 2013 (the “**Appeals Bar Date**”), file with the Court of Queen’s Bench at the Court House in Saskatoon and serve upon the Receiver and its legal counsel, all legal counsel on the Service List and the Claimant (if the appeal is in relation to the allowance of a Proof of Claim) a Notice of Motion returnable on Friday, February 4, 2013, along with motion materials in support of such appeal.
9. Pursuant to paragraph 16 of the Claims Process Order, each determination by the Receiver of a Proof of Claim is deemed to be conclusively accepted by all interested persons unless a Notice of Motion is filed and served by a prospective appellant in respect of such Proof of Claim on or before February 1, 2013.
10. The Bank of Montreal has applied for an Order expanding the role of the PwC to that of full receiver of the Property. The draft Receivership Order contemplates, among other things, the power of the Receiver to sell certain of the Livestock. The draft Receivership Order further contemplates the exclusion of all branded livestock subject to the Proofs of

Claim (the “**Excluded Livestock**”) pending final determination of all claims to such Excluded Livestock in accordance with the Claims Process. It is the understanding of the Receiver that the Excluded Livestock corresponding to each Proof of Claim would be taken into the possession and control of the Receiver and safeguarded until the date (the “**Excluded Livestock Release Date**”) which is the earlier of: a) February 1, 2013 (in regard to Excluded Livestock subject to any Proof of Claim whose Proof of Claim Response is not appealed on or before the Appeals Bar Date); or b) in the case of an appeal of any Proof of Claim Response, the date upon which such appeal is determined by the Court.


11. Upon each Excluded Livestock Release Date, Excluded Livestock subject to claims which were not proven in accordance with the Claims Process (which claims are thereby conclusively and irrevocably deemed to be extinguished and forever barred) would be included in the Property (in which case such formerly Excluded Livestock would become subject to the same power and authority of the Receiver as over the Unclaimed Livestock).

FURTHER REPORT AND RECOMMENDATIONS OF THE RECEIVER

12. As at the date of this Supplementary Sixth Report, the approximate cost of securing, feeding and caring for (or otherwise maintaining) the Livestock is estimated to be approximately \$5,000.00 per day, which estimate is based on professional fees, security, an estimate of costs associated with the Receiver’s duties and the estimated value of hay consumed by the livestock since the date of Interim Receivership Order, being October 9, 2012.
13. As set forth at paragraph 10 of the Fifth Report of the Interim Receiver, the Receiver continues to investigate whether and to what extent certain Property has been disposed of by the Debtor (the proceeds of which Property have not been remitted to the Receiver).
14. So long as property of significant realizable value remains in the possession of the Debtors, security measures must remain in place to preserve and secure such property.

All of which is respectfully submitted this 25th day of January, 2013.

**PricewaterhouseCoopers Inc. as Interim Receiver
of Shane Scott and Michelle Scott**

Per: 

Appendix “1”



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: DIRT CREEK ENTERPRISES LTD.

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("**Receiver**") of substantially all of the property, assets and undertaking of the Debtors, has been

 X allowed
 disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



The Agreement for Feeding Cattle appears to be a contract for services whereby the Livestock claimed are owned by you, but are fed, cared for and ultimately sold by the Debtors (on your behalf).

Based on the foregoing, the Debtors have no interest in any Livestock containing your brand. Accordingly, the Receiver hereby allows your Proof of Claim to the extent of any Livestock bearing your brand.

Subject to final Court approval, the Livestock bearing your brand will be released to you, and the Receiver will be in contact with you in due course to make the necessary arrangements in that regard. Please be advised that certain costs associated with the feeding, securing (including storage and transport) and caring for of the Livestock may be allocated to the Livestock claimed by you, and that you may be responsible to pay such costs.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response.

The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

Prud'homme & Coopers Inc.

CANADA
PROVINCE OF SASKATCHEWAN

Q.B. No. 1331 of 2012

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

Dirt Creek Enterprises Ltd. - PRESIDENT → LLOYD BIRCHALL
190 Eagle Butte Ave
Dunmore, AB T1B 0K2 - SEC. / TRES. → SANDRA BIRCHALL
P: 403-504-5226 F: 403-580-2980
GST 82840 3956 RT0001

I, DIRT CREEK ENTERPRISES LTD. of the HAMLET of DUNMORE, in the Province of ALBERTA do hereby certify:

1. That I am the claimant, (or That I am) PRES. + SEC. / TRES. (position or title) of DIRT CREEK ENTERPRISES LTD. (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").
4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.

5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:

(set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)

6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

ALBERTA

Sworn before me at the HAMLET of
DUNMORE, in the Province of
Saskatchewan, this 27 day of
Dec., 2012.

Pam A. Pirsch
A Commissioner for Oaths in and for the
Province of Alberta.
Being a Solicitor - OR -
My Commission Expires:

PAM A. PIRSCH
My Commission Expires
June 11, 2015


[Signature]
(Signature of Claimant)

Sander Birchall
(Signature of Claimant)

Dirt Creek Enterprises Ltd.

To whom this may concern:

WE, (Dirt Creek Enterprises Ltd.) have employed Shane & Michelle Scott to purchase, feed, & sell cattle for about 5 years now. Our year end is Oct. 31 so our agreements are usually completed in this month.

The agreements specify that cattle within this agreement be branded with our registered brand  on the right rib.

We have entrusted Shane & Michelle to fulfill any duties outlined in agreements, and have always been paid on time at the end of each term, until this years agreement (Oct.28 / 2011 — Oct. 28 / 2012). Shane indicated to us he was unable to pay at this time. He did not indicate why.

In the beginning of Dec./2012 I encountered Keith Duncan who represents Price Waterhouse Coopers. He notified me (Lloyd Birchall) of receiver actions that are going on. I indicated to him that Dirt Creek Enterprises Ltd. Have cattle with Shane & Michelle Scott. He told me they had counted approximately 55 heifers with our brand on them.

We realize all proceedings are in the hands of the court now.

These heifers may have been bred this summer.

—will someone be caring for said animals ????

— who gets ownership of calves when born ???

**If you encounter any more of our animals during your assessment please notify Dirt Creek Enterprises Ltd. @ 403 504 5226 or cell 403 928 9976
bir403@telus.net**

Yours sincerely

Lloyd & Sandy Birchall



Scott Livestock

Box 2080
Maple Creek, Sask.
S0N 1N0
(306)558-4620 phone/fax

AGREEMENT FOR FEEDING CATTLE

This feeding contract is made in duplicate the 28 day of Oct, 2011

Between:

Owner/Authorized Personnel

Dirt Creek Enterprises Ltd.
190 Eagle Butte Ave

Mailing Address

Dimmore, AB T1B 0K2
P: 403-504-5226 F: 403-580-2980
GST 82840 3956 RT0001

Town, Postal Code

Telephone and Fax

Thereinafter referred to as the "owner"

And

Shane & Michelle Scott
Scott Livestock
Box 2080
Maple Creek, Sk, S0N 1N0
Phone/Fax: (306)558-4620
Cellular Phone: (306)662-7586 or (306)662-7529
SHANE *MICHELLE*

Thereinafter referred to as the "feeder"

Scott Livestock – Custom Feeding Agreement

10/28/11

Mandatory Protocol for Custom Cattle Feeders**-Feed Bills**

- Faxed or mailed at the end of every month.
- Feed bills should include the lot and/or contract number for the cattle.
- Breakdown of charges including processing, medicine and GST.
- Monthly report on cattle:
 1. Total head in lot.
 2. Total deads.

-Dead Report

- All deaths should be identified and reported.
- The death report will include:
 1. Date
 2. Sex
 3. Cause of death
 4. CCIA tag number

-Shipping Report

- Notification of any outgoing shipments
- Shipping report will include:
 1. Number of cattle shipped.
 2. Weight and destination.

Scott Livestock - Custom Feeding Agreement

10/28/11

CUSTOM FEEDING AGREEMENT

This agreement binds the feeder and owner to the following terms and conditions.

1. Approximate number of head 75
2. Approximate duration of feeding period 365
3. All cattle must be branded or carry identification deemed to be acceptable to the owner. 5 R.R.
4. Cattle type Calves
5. Approximate feeding period 365
6. Type of feed: Background/grass.
7. Induction: The feeder will administer the following protocol as cattle are processed into the feedyards.
 - a. ~~Vaccinations _____ within _____ days of arrival.
Compensation of _____ dollars per head will be paid to the feeder from the owner.~~
 - b. ~~Dehorning _____ per head to be paid in addition to cost of gain agreement.~~
 - c. ~~Castration _____ per head to be paid in addition to the cost of gain.~~
 - d. ~~CCIA tags _____ per tag in addition to cost of gain agreement.~~

Deads, cripples, cronics, or sick cattle must be identified and notification given to the owner.

Scott Livestock – Custom Feeding Agreement

10/28/11

CUSTOM FEEDING AGREEMENT**8. Cost of Gain**

Cost of gain will be paid as follows:

Gain: Steers _____ per lbs gain (_____ to _____ lbs per day).

Gain: Heifers _____ per lbs gain (_____ to _____ lbs per day)

Weights: "in weight" = Invoice weight on all incoming cattle.
"out weight" = Cattle weighed early a.m, empty bunks with a 4% shrink off gross weight.

Cost of Gain (COG) includes all charges associated with feeding and care of said cattle, no other cost will be incurred by the owner other than listed in 7b,c,d.

$$\text{COG} = (\text{Out weight} - \text{In Weight}) \times \text{cost lbs gain (specified above)}$$
9. Death Loss

The feeder warrants the death loss shall not exceed ____% .Death loss percentage shall be calculated as the number of dead divided by the number of animals delivered. In a guaranteed cost of gain contract, the value of each head of livestock in excess of the allowable death loss. Percentage shall be deducted from any payment owned by the owner. The value shall be the average total invoice value of each head of livestock when delivered to the feeder. The in weight of the dead animal in excess of 2% shall be deducted from the total in weight in COG calculation.

10. Animal care and husbandry.

The feeder agrees to feed, water, house, inspect, and care for said livestock to the best of his ability and to ensure that the health, feed and living condition of the livestock is appropriate to obtain the average daily gain (ADG) and COG specified. In addition, the feeder shall ensure the cattle are adequately bedded throughout the entire feeding period.

11. Access to feedlot

The owner reserves the right to enter the feedlot at any time to inspect the cattle.

12. Ownership

The owner shall at all times be the sole and legal owner of said cattle and the feeder agrees that it has no interest whatsoever in the cattle, and further agrees that they will not pledge, mortgage, or encumber the cattle in any manner.

Scott Livestock - Custom Feeding Agreement

10/28/11

IN WITNESS WHEREOF the parties have executed this Agreement on the day
and year first written above.

Per: [Signature]
(feeder)

Per: [Signature]
(owner)

Unwheeled Scott

Sandy Birchall

60 000 Oct. 28/2011 S.S.
L.S.
L.B.

Expense

Shane Scott

Box 2080

Maple Creek, Saskatchewan S0N 1N0

(306)558-4620 fax (306)558-4620

INVOICECustomer **RB**

Name ~~Lloyd & Sandy Birchall~~
Address 190 Eagle Butte Ave.
City Dunmore AB T1B 0K2
Phone (403)504-5226

DIRT CREEK ENTERPRISES LTD

Date Oct 28/2011
Order No. SS007
Rep
FOB

Quantity	Description	Unit Price	TOTAL
75 HD	Mixed Calves	800.00	\$60,000.00

Payment Details

- ☒ Cash
☐ Check
☐ Credit Card

Name _____
CC # _____
Expires _____

SubTotal	\$60,000.00
Insurance	
Taxes GST	
TOTAL	\$60,000.00

Office Use Only



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: GARTH HORTON

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("**Receiver**") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



The Alberta Court of Queen's Bench in *Gladue v. Asset Recovery Management & Sales*, [1997] A.J. No. 1251 (at paragraph 9) defined a conditional sales contract as "one in which the amount of the purchase price is paid over time and the seller retains title to the chattel until completion of the payments". The Invoices appear to constitute conditional sales contracts, whereby the Debtors are to pay the purchase price of the cattle to you over time, with title to the cattle remaining with you until payment is complete.

Section 2(1)(qq) of the *Personal Property Security Act*, 1993 (the "PPSA") provides that a security interest is "an interest in personal property that secures payment or performance of an obligation". Section 3(1)(a) of the PPSA provides that the PPSA applies to everything which "in substance creates a security interest, without regard to its form and without regard to the person who has title to collateral". Conditional sales are specifically cited as security interests under the PPSA in section 3(1)(b) and, as such, are required to be registered in the personal property security registry in order to have priority over other proprietary interests in the collateral (see *Gauntlet Energy Corp. (Re)* 2003 ABQB 718 and *Giffen (Re)*, [1998] 1 S.C.R. 91). No registrations have been effected by you in the personal property registry in regard to the Invoices. Moreover, paragraph 7 of the Claims Process Order excludes claims relating to contractually created security interests in the Livestock. Accordingly, even if you hold a valid security interest in Livestock, the Receiver can release no property to you pursuant to this Claims Process.

Alternatively, if the Invoices do not create a security interest, then your claim appears to be that of an unpaid seller of goods to the Debtors. As such, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors, but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.



If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response. The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

PricewaterhouseCoopers Inc.



Box 2077
Maple Creek, SK
S2B 1N0

GARTH HORTON

LIVESTOCK DEALER
AB and SK Licensed
SK Lic. 9115186

Cell: (306) 662-7608
Fax: (306) 662-2189

Fax

Mike Russell
Attn: Jeffrey M. Lee From: Garth Horton

Fax: 306-975-7145 Pages (including cover): 10

Phone: 306-662-7608 Date: Dec 18 / 12.

Re: Proof of Chain on

68 Bred cows + 80 H/Feeder cattle

Comments: Inv # 714 Inv # 421

(3)

Schedule "B"

Q.B. No. 1331 of 2012

CANADA)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

Box 2077Maple Creek, SKSON 1N0

I, Garth Horton of the Town of Maple Creek, in the Province of
Saskatchewan do hereby certify:

1. That I am the claimant, (or That I am) Claimant (position
or title) of Garth Horton (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to
below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as
interim receiver of substantially all of the property, assets and undertakings of Shane
Scott and Michelle Scott (the "Debtors").

(4)

4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.
5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:
(set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)
6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the Town of)
Maple Creek, in the Province of)
 Saskatchewan, this 17 day of)
Dec., 2012.)

Randy St.)

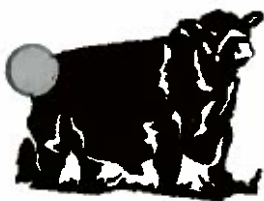
A Commissioner for Oaths in and for the)
 Province of)

Being a Solicitor - OR -)

My Commission Expires)

BRADLEY BLYTHMAN
 A Commissioner for Oaths in and for
 Saskatchewan
 My Appointment expires Sept 30, 2016

[Signature]
 (Signature of Claimant)



**Box 2077
Maple Creek, SK
S0N 1N0**

LIVESTOCK DEALER

AB and SK Licensed
SK Lic. #118166

Cell: (306) 662-7608
Bus: (306) 662-3387
Fax: (306) 662-2189

Purchased for and/or

Date: Sept 30 2009

SOLD TO: Marc Scott
Piquet, OH.

SHIP TO: Piapot Ranch

No.	DESCRIPTION	BRANDS	GROSS WT.	NET WT.	PRICE	AMOUNT
68	Red/B/H Brod Cows				880 ⁰⁰	59840 ⁰⁰
	Exposed July 2/09	96 LH				
TOTAL						59840 ⁰⁰
ADDITIONAL CHARGES:						
COMMISSION:						
YARDAGE:						
FEED:						
INSURANCE:						
BRANDING:						
OTHER:						
TRUCKING:						
G.S.T.						
G.S.T. #11152 5390					TOTAL CHARGES	
TERMS CASH						TOTAL AMOUNT 59840 ⁰⁰

Interest of 1 1/4% per month will be charged on outstanding accounts.
All livestock will remain the property of GARTH HORTON until full
settlement is received.

ED: BUYER _____
SIGNED: SELLER *[Signature]* _____
WITNESS: _____

AV. FIRST: COST _____ WT. _____ AMT. _____

AV. SEC.: COST _____ WT. _____ AMT. _____

SALES INVOICE



**Box 2077
Maple Creek, SK
S0N 1N0**

GARTH HORTON

LIVESTOCK DEALER

AB and SK Licensed
SK Lic. #118166

Cell: (306) 662-7608
Bus: (306) 662-3387
Fax: (306) 662-2189

Purchased for and/or

Date: Mar 12 2009.

SOLD TO:

Shane Scott
Diaper SA.

SHIP TO:

Maple Creek Feedlot

[illegible]**TERMS CASH****TOTAL AMOUNT**

**Interest of 1 1/2% per month will be charged on outstanding accounts.
All livestock will remain the property of GARTH HORTON until full
settlement is received.**

SIGNED: BUYER

AV. FIRST: COST _____ WT. _____ AMT. _____

SIGNED: SELLER

AV. SEC.: COST _____ WT. _____ AMT. _____

WITNESS:

SALES INVOICE



Heartland
Livestock Services
A Division of 324007 Alberta Ltd.

Swift Current, Sask.
BOX 367 - HIGHWAY #1 WEST TELEPHONE: (306) 773-3174
SWIFT CURRENT, SASK. S9H 3V8 FAX: (306) 773-8570

INVOICE

⑦

INVOICE NO.

078290

(L0996)

DATE

Mar 12, 2009

HORTON, GARTH
BOX 2077
MAPLE CREEK, SASK
S0N 1N0

LINE	HEAD DESCRIPTION	AV-WT	WEIGHT	PRICE	AMOUNT
112X	18 112X HFR BRND SUPP - KOCH, CCIA W OVR SHL LH, NVB, CCIA CON U OVR UPS T RH, CCIA U UPS T RR QTR CIR OPD OVR J RR, CCIA C BAK F OVR SHL RH HAF DIA OPD OVR JRR, NVB UPS V L RH, CCIA LZL DOV R SH L RR UPS U OVR UPS U CCIA	452	8129	106.50C	8,657.42
402	9 402 HFR NVB, CCIA NVB IL RH, NVB, CCIA	549	4939	104.00C	5,136.56
407	21 407 HFR BRND SUPP - KOCH, CCIA NVB, CCIA IL RH, NVB, CCIA NVB CCIA 7 CON V CON BAK 7 OVR BAR RR, CCIA QTR CIR OPR G RH LZ/RH NVB, CCIA	530	11125	106.50C	11,848.15

CONTINUED***

EXPENSES

AGREEMENT

Purchaser hereby purchases and agrees to pay for the above Livestock
at the above terms, and the Conditions of Sale printed on the reverse
of, which the Purchaser has read and agrees form part of this Agreement.
Any and acceptance of the above Livestock is hereby acknowledged. The
purchaser also acknowledges receipt of a copy of this Agreement.

PLEASE REMIT TO:
HEARTLAND LIVESTOCK SERVICES
A Division of 324007 Alberta Ltd.
BOX 367
SWIFT CURRENT, SASKATCHEWAN
S9H 3V8

TOTAL
EXPENSESPLEASE
REMIT

G.S.T. 12936 4060 RT0003

Jan 04 13 01:18p

Horton Livestock

3066622189

p.8

Heartland
Livestock Services
 A Division of 324007 Alberta Ltd.

Swift Current, Sask.
 BOX 367 - HIGHWAY #1 WEST TELEPHONE: (306) 773-3174
 SWIFT CURRENT, SASK. S9H 3V8 FAX: (306) 773-8570

INVOICE

DATE

Mar 12, 2009

HORTON, GARTH
 BOX 2077
 MAPLE CREEK, SASK
 S0N 1N0

INVOICE NO.

078290

(L0996)

PEN#	HEAD DESCRIPTION	AV-WT	WEIGHT	PRICE	AMOUNT
	BALANCE FORWARD FROM PAGE 1				\$25,642.13
548	7 209X HFR	438	3069	107.75C	3,306.84
	NVB				
	IL RH, NVB, CCIA				
	HAF DIA OPD OVR 2 RR,				
	BRND SUPP - KOCH, CCIA				
TAG	1 TAG HFR	475	475	92.00C	437.00
	BRND SUPP - KOCH, CCIA				
55	105.95	495	27,737		\$29,385.97

UNIT 5041 000000 FOR FUTURE SALE INER
 EXPENSES

ATT YARDAGE 56.00 CLEARING CHG 56.00 112.00 Subject to GST
 GST amount 5.60

AGREEMENT
 Average net: 106.37

I hereby purchase and agree to pay for the above Livestock at the above terms, and the Conditions of Sale printed on the reverse of which the Purchaser has read and agree form part of this Agreement, my and acceptance of the above Livestock is hereby acknowledged. The buyer also acknowledges receipt of a copy of this Agreement.

PLEASE REMIT TO:
 HEARTLAND LIVESTOCK SERVICES
 A Division of 324007 Alberta Ltd.
 BOX 367
 SWIFT CURRENT, SASKATCHEWAN
 S9H 3V8

TOTAL
 EXPENSES \$117.60

PLEASE
 REMIT \$29,503.57

DUPLICATE COPY

Heartland
Livestock Services
 A Division of 324007 Alberta Ltd.

Swift Current, Sask.
 BOX 367 - HIGHWAY #1 WEST TELEPHONE: (306) 773-3174
 SWIFT CURRENT, SASK. S9H 3V8 FAX: (306) 773-8570

INVOICE

INVOICE NO.

078291

(L0997)

DATE

Mar 12, 2009

HORTON, BARTH
 BOX 2077
 MAPLE CREEK, SASK
 S0N 1N0

PEN#	HEAD DESCRIPTION	AV-WT	WEIGHT	PRICE	AMOUNT
113	18 113 STR LZR JK LR, NVB, CCIA HRT OVR LZL J LH, NVB, CCIA JR OVR SHL RR, NVB, CCIA LZR J OVR H LH, CCIA CON U OVR UPS T RH, CCIA U UPS T RR 7 CON V CON BAK 7 OVR BAR RR, CCIA C BAK F OVR SHL RH HAF DIA OPD OVR JRR, IL RH, NVB, CCIA LZL T OVR I RH, CCIA NVB LZL J OVR H /RH, NVB X OVR QTR CIR OPU RS UPS U OVR UPS U CCIA	417	7505	119.25C	8,949.75
114	6 114 STR JR OVR SHL RR, NVB, CCIA IL RH, NVB, CCIA C BAK F OVR SHL RH HAF DIA OPD OVR JRR, 17 RH, NVB CCIA	532	3193	115.00C	3,671.95
24	117.98	446	10,698		\$12,621.70

EXPENSES

CATT YARDAGE	24.00	CLEARING CHG	24.00	48.00	Subject to GST
				GST amount	2.40

AGREEMENT

Average net: 118.45

TOTAL
EXPENSES

\$50.40

The Purchaser hereby purchases and agrees to pay for the above Livestock subject to the above terms, and the Conditions of Sale printed on the reverse hereof, which the Purchaser has read and agrees form part of this Agreement. Delivery and acceptance of the above Livestock is hereby acknowledged. The Purchaser also acknowledges receipt of a copy of this Agreement.

PLEASE REMIT TO:
HEARTLAND LIVESTOCK SERVICES
 A Division of 324007 Alberta Ltd.

BOX 367

SWIFT CURRENT, SASK.

PLEASE
REMIT

\$12,672.10

Shane & Michelle Scott
Box 159
Eastend, Sask.
S0N 0T0

10

January 17, 2012

Garth Horton
Box 2077
Maple Creek, SK
S0N 1N0

To whom it may concern:

*Thank you for your continued support in our hard financial times.
We are sorry that we have affected you directly.*

As you might already know, it has been 5 years in February since we received contaminated feed from the Federated Coop. It was the first and the last load of feed purchased from them. Their warranty is not very good. They have offered no support and we are left with endless Lawyer bills to pay so therefore this has totally crushed our business. We have worked so hard and love what we are doing we have built our business from the ground up, basing our relationships on trust and loyalty. We worked very hard on getting and over night, this was lost. We could not have survived mentally, physically or emotionally without you.

We are moving ahead and justice will be paid for and to whom we owe money to we will work until the debts are paid. Thanks for your patience and support. Please do not be afraid to contact us please know we did not do any of this to gain or to hurt you. Please try to consider us friends and business acquaintances.

Sincerely,

Shane Scott

.....



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: HAME TREE LAND AND CATTLE LTD.

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



It is unclear whether the Agreement for Feeding Cattle/Agreement for Custom Feeding Cattle (the “Feeding Agreement”), as extended by the Memorandum of Agreement, is intended by the parties to be a conditional sales agreement (defined by the Alberta Court of Queen’s Bench in *Gladue v. Asset Recovery Management & Sales*, [1997] A.J. No. 1251 at paragraph 9 as “one in which the amount of the purchase price is paid over time and the seller retains title to the chattel until completion of the payments”) or a contract for sale (whereby title to the property passes immediately, irrespective of time of payment). Each of these classes of contract are examined in turn.

Conditional Sales Agreement

Although paragraph 12 of the Feeding Agreement contemplates that ownership of the subject Livestock shall remain with you, the Memorandum of Agreement appears to contemplate a prior unconditional sale of the subject Livestock to the Debtors by the Feeding Agreement, along with the transfer to the Debtors of all risk and benefit in regard to the subject Livestock. If, however, the Agreement for Feeding Cattle is a conditional sales agreement, it constitutes a security interest pursuant to section 3(1)(b) of the PPSA and, as such, is required to be registered in the personal property security registry in order to have priority over other proprietary interests in the collateral (see *Gauntlet Energy Corp. (Re)* 2003 ABQB 718 and *Giffen (Re)*, [1998] 1 S.C.R. 91). No registrations have been effected by you in the personal property registry in regard to the Livestock claimed. Moreover, paragraph 7 of the Claims Process Order excludes claims relating to contractually created security interests in the Livestock. Accordingly, even if you held a valid security interest in Livestock, the Receiver could release no property to you pursuant to this Claims Process.

Contract for Sale

Rule I at Section 20 of *The Sale of Goods Act* provides that, where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when the contract is made, and it is immaterial whether the time of payment or the time of delivery or both are postponed. Accordingly, if the Memorandum of Agreement was intended by the parties to document the terms of the sale of the subject Livestock to the Debtors, your claim is that of an unpaid seller of goods to the Debtors.

Based on the foregoing, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors, but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.



If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response.

The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

PricewaterhouseCoopers Inc.



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: JOHN SCHMITT AND DIANE SCHMITT

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).

It is unclear whether the Agreement for Feeding Cattle/Agreement for Custom Feeding Cattle (the "Feeding Agreement"), as extended by the Memorandum of Agreement, is intended by the



parties to be a conditional sales agreement (defined by the Alberta Court of Queen's Bench in *Gladue v. Asset Recovery Management & Sales*, [1997] A.J. No. 1251 at paragraph 9 as "one in which the amount of the purchase price is paid over time and the seller retains title to the chattel until completion of the payments") or a contract for sale (whereby title to the property passes immediately, irrespective of time of payment). Each of these classes of contract are examined in turn.

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Based on the foregoing, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors, but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel



- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response.

The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

PricewaterhouseCoopers Inc.

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON**

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

AND:

SHANE SCOTT and MICHELLE SCOTT

**DEFENDANTS
(RESPONDENTS)**

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:





Hame Tree Land & Cattle Ltd.
John and Diane Schmitt
c/o MacBean Tessem
P.O. Box 550
Swift Current, SK S9H 3W4

We, John Schmitt and Diane Schmitt, of the Town of Eastend, in the Province of Saskatchewan do hereby certify:


1. That we are shareholders in Hame Tree Land & Cattle Ltd. and are the Claimants in this matter.
2. That we have knowledge of all circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").
4. That on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.

5. That the Claimants hereby claim that livestock or interest in livestock, by virtue of the documents attached and marked as Appendix "A" to this Proof of Claim, namely:

That attached is the initial agreement for feeding cattle dealing with the 65 head of cattle. To date, there has been no calf crop share received, in relation to any cattle sales and no monetary payment received whatsoever in relation to the cattle.


That the cattle were branded with the Whitemud Feeder Association brand, ^{VI} , the Frontier Feeder Association brand,  M , or our brand , or had no visible brand.

That attached is a further document entered into in relation to the 65 head of cattle and extending the agreement. To date there have been no payments received in relation to the subsequent agreement, either.



Nearly all the 65 head were bred heifers when received by the feeder, Shane and Michelle Scott and Scott Livestock in 2009, most had no visible brand. These cattle were all to be branded with our brand, H , as per number three on page three of the Custom Feeding Agreement, dated the 1st day of December, 2009. Whether this was actually carried out by the feeder could never be confirmed by the owner. As such, the cattle enumerated on the claim form could now have any brand on them.

6. The Claimants are entitled to demand from the Interim Receiver the return of the livestock enumerated in these documents.

Severely sworn before me at the Town)
of Eastend, in the Province of)
Saskatchewan, this 19th day)
of December, A.D. 2012)


A Commissioner for Oaths in and for
the Province of Saskatchewan
My Commission expires Dec 31, 2016

(ref.cmw/civilit/64349.proof of claim)


JOHN SCHMITT

DIANE SCHMITT



Scott Livestock

Box 2080
Maple Creek, Sask.
S0N 1N0
(306)558-4620 phone/fax

AGREEMENT FOR FEEDING CATTLE

This feeding contract is made in duplicate the 1 day of Dec. 2009

Between:

Home Tree Land & Cattle Ltd

Owner/Authorized Personnel

Box 130

Mailing Address

Eastend S0N 0T0

Town, Postal Code

295-3515

Telephone and Fax

Thereinafter referred to as the "owner"

And

Shane & Michelle Scott
Scott Livestock
Box 2080
Maple Creek, Sk, S0N 1N0
Phone/Fax: (306)558-4620
Cellular Phone: (306)662-7586 or (306)662-7529

Thereinafter referred to as the "feeder"

Scott Livestock

Box 2080
Maple Creek, Sask.
S0N 1N0
(306)558-4620 phone/fax

AGREEMENT FOR CUSTOM FEEDING CATTLE

BETWEEN:

SHANE C. SCOTT and MICHELLE A. SCOTT, both of Box 2080, Maple Creek,
Saskatchewan, S0N 1N0.

And John Schmitt Parties of the First Part

Diane Schmitt both of Eastend, SK. S0N0T0 Box 130

Parties of the Second Part

WHEREAS Cattle are purchased, and fed by the Party of the First Part.

WHEREAS at Sale Time of Cattle, the Proceeds of the Sale will be Shared by the two
parties as follows:

The Party of the Second Part receives his total Purchase Price for the cattle as
evidenced by copies of the original invoices plus a Processing Fee of 8 % per
Annum calculated for the number of days on feed (from date of Purchase to Date of
Sale) and the balance of the sale price to be the property of the Party of the First Part.

DATED this 1 day of Dec, AD 2009

SIGNED BEFORE:

Shane Scott
(Shane C. Scott)

Michelle Scott
(Michelle A. Scott)

[Signature]
Witness as to signature of Parties
Of Parties of Parties of the First Part

[Signature]
Witness as to signature(s) of
Party(ies) Of the Second Part

John Schmitt
()
Diane Schmitt
()

THANK YOU

CUSTOM FEEDING AGREEMENT

This agreement binds the feeder and owner to the following terms and conditions.

1. Approximate number of head 65 cows.
2. Approximate duration of feeding period 365 days.
3. All cattle must be branded or carry identification deemed to be acceptable to the owner.
H - 1 L.H
4. Cattle type Cows.
5. Approximate feeding period 365.
6. Type of feed: Grass / Hay.
7. Induction: The feeder will administer the following protocol as cattle are processed into the feedyards.
 - a. Vaccinations _____ within _____ days of arrival.
Compensation of _____ dollars per head will be paid to the feeder from the owner.
 - b. Dehorning _____ per head to be paid in addition to cost of gain agreement.
 - c. Castration _____ per head to be paid in addition to the cost of gain.
 - d. CCIA tags _____ per tag in addition to cost of gain agreement.

Deads, cripples, cronics, or sick cattle must be identified and notification given to the owner.

CUSTOM FEEDING AGREEMENT**8. Cost of Gain.**

Cost of gain will be paid as follows:

Gain: Steers _____ per lbs gain (_____ to _____ lbs per day).

Gain: Heifers _____ per lbs gain (_____ to _____ lbs per day)

Weights: "In weight" = Invoice weight on all incoming cattle.

"out weight" = Cattle weighed early a.m, empty bunks with a 4% shrink off gross weight.

Cost of Gain (COG) includes all charges associated with feeding and care of said cattle, no other cost will be incurred by the owner other than listed in 7b,c,d.

$COG = (Out\ weight - In\ Weight) \times cost\ lbs\ gain\ (specified\ above)$

9. Death Loss

The feeder warrants the death loss shall not exceed 0 % .Death loss 55 percentage shall be calculated as the number of dead divided by the number of animals delivered. In a guaranteed cost of gain contract, the value of each head of livestock in excess of the allowable death loss. Percentage shall be deducted from any payment owned by the owner. The value shall be the average total invoice value of each head of livestock when delivered to the feeder. The in weight of the dead animal in excess of 2% shall be deducted from the total in weight in COG calculation.

10. Animal care and husbandry.

The feeder agrees to feed, water, house, inspect, and care for said livestock to the best of his ability and to ensure that the health, feed and living condition of the livestock is appropriate to obtain the average daily gain (ADG) and COG specified. In addition, the feeder shall ensure the cattle are adequately bedded throughout the entire feeding period.

11. Access to feedlot

The owner reserves the right to enter the feedlot at any time to inspect the cattle.

12. Ownership

The owner shall at all times be the sole and legal owner of said cattle and the feeder agrees that it has no interest whatsoever in the cattle, and further agrees that they will not pledge, mortgage, or encumber the cattle in any manner.

IN WITNESS WHEREOF the parties have executed this Agreement on the day and year first written above.

Per: Shawn Smith
(feeder)

Per: John Schmitt
(owner)

- 65 cows at a value of \$ 67,760.00

1/2 hrs
S.S.

- renewal done by Nov. 01/2010

1/2 hrs
S.S.

THIS AGREEMENT MADE IN DUPLICATE THIS 13TH DAY OF OCTOBER, A.D. 2011

BETWEEN:

SHANE C. SCOTT and MICHELLE A. SCOTT
of the District of Eastend
in the Province of Saskatchewan

HEREINAFTER CALLED THE PURCHASERS

AND:

John Schmitt S.S.
HAME TREE LAND & CATTLE LTD.,
a Corporation incorporated pursuant to
the laws of the Province of Saskatchewan having its
head office within the Province of Saskatchewan

AND:

JOHN SCHMITT and DIANE SCHMITT
of the Town of Eastend
in the Province of Saskatchewan

HEREINAFTER CALLED THE VENDORS

MEMORANDUM OF AGREEMENT

MacBEAN TESSEM
Barristers and Solicitors
PO Box 550
151 - 1st Avenue NE
Swift Current, SK
S9H 3W4
(ref.lic/civlit/64349.agreement)

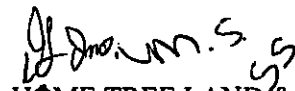
THIS AGREEMENT MADE IN DUPLICATE THIS 13TH DAY OF OCTOBER, A.D. 2011

BETWEEN:

SHANE C. SCOTT and MICHELLE A. SCOTT
of the District of Eastend
in the Province of Saskatchewan

HEREINAFTER CALLED THE PURCHASERS

AND:


HAME TREE LAND & CATTLE LTD.,
a Corporation incorporated pursuant to
the laws of the Province of Saskatchewan having its
head office within the Province of Saskatchewan

AND:

JOHN SCHMITT and DIANE SCHMITT
of the Town of Eastend
in the Province of Saskatchewan

HEREINAFTER CALLED THE VENDORS

MEMORANDUM OF AGREEMENT

WITNESSETH AS FOLLOWS:

WHEREAS the Vendors sold 65 head of cattle to the Purchasers by Agreement dated December 1st, 2009;

AND WHEREAS the Parties wish to extend the terms of said Agreement, as there remains SEVENTY FIVE THOUSAND DOLLARS (\$75,000.00) due and owing to the Vendors by the Purchasers of principal and interest;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and pursuant to the terms and conditions as set out in this agreement, the parties do hereto each agree with the other as follows:

1. The Purchasers hereby acknowledge that they have received the cattle pursuant to the Sale Agreement, and that there is SEVENTY FIVE THOUSAND DOLLARS (\$75,000.00) outstanding of principal and interest in relation to the Sale Agreement dated December 1st, 2009;
2. The Purchasers agree that they shall pay TWENTY THOUSAND DOLLARS (\$20,000.00)

99 Jms.
Wm S. J.
- November 1, 2011 -

upon execution of this Agreement. The remaining FIFTY FIVE THOUSAND DOLLARS (\$55,000.00) shall be paid in three (3) annual instalments November 1st of each year, commencing November 1st, 2012 and continuing each year thereafter until paid in full. Interest shall accrue on the balance outstanding each year at eight percent (8%) per annum. The annual payment shall be EIGHTEEN THOUSAND AND FIVE HUNDRED DOLLARS (\$18,500.00) in principal plus accrued interest. The Payment Schedule is attached as Schedule "A" hereto;

3. Interest at eight percent (8%) shall accrue on all balances due and payable and outstanding, until payment is received. The interest shall accrue on principal and interest amounts due and payable, and shall be in addition to all amounts as set out herein;

4. The Purchasers assume all risks and obligations for the care and upkeep of the cattle, and shall receive all revenue in relation to the cattle. The full amount payable herein plus interest shall be payable by the Purchasers, notwithstanding any death losses of cattle;

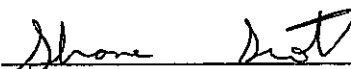
5. The terms "Vendor" and "Purchaser" and any references thereto shall include executors, administrators, (successors in the case of a corporation), and the assigns of the Vendors and the Purchasers respectively, and the said terms and references thereto in the singular number and in the masculine gender shall also include the plural number and the feminine gender (and neuter in the case of a corporation), where the context so requires; and

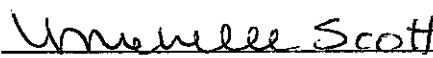
6. Time shall be in every respect of the essence of these presence.

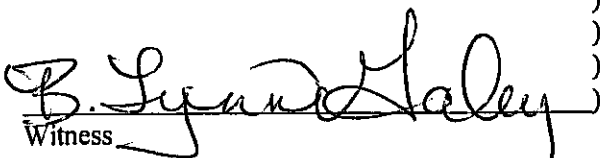
IN WITNESS WHEREOF the Purchasers hereunto affix each of their hand and seal this 13th day of October, A.D. 2011.

SIGNED, SEALED AND DELIVERED IN)

the presence of:)


SHANE C. SCOTT


MICHELLE A. SCOTT


Witness

IN WITNESS WHEREOF the Vendor has caused its corporate seal to be hereunto affixed,
attested by the signatures of its proper officers in that behalf this 13th day of October, A.D. 2011.

ss
ss
HAME TREE LAND & CATTLE LTD.

(seal)

Per:

John Schmitt

Per:

John Schmitt

IN WITNESS WHEREOF the Vendors hereunto affix each of their hand and seal this 13th day
of October, A.D. 2011.

SIGNED, SEALED AND DELIVERED IN)

the presence of:)

B. Lynn Haley
Witness

John Schmitt
JOHN SCHMITT

Diane Schmitt
DIANE SCHMITT

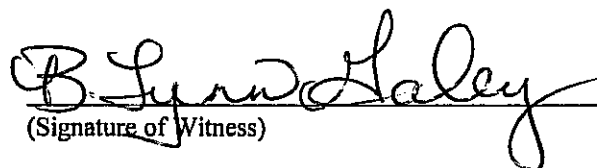
CANADA
PROVINCE OF SASKATCHEWAN
TO WIT:

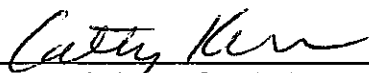
AFFIDAVIT OF EXECUTION

I, B. Lynn Galey, of the City of Swift Current, in the Province of Saskatchewan, MAKE
OATH AND SAY:

1. That I was personally present and did see John Schmitt and Diane Schmitt named in the within instrument who each is personally known to me to be the person named therein duly sign, seal and execute the same for the purposes named therein.
2. That the same was executed at the Town of Shaunavon, in the Province of Saskatchewan, and that I am the subscribing witness thereto.
3. That I know the said John Schmitt and Diane Schmitt and each is in my belief of the full age of eighteen years or more.

SWORN before me at the Town
of Shaunavon, in the Province
of Saskatchewan, this 13th
day of October, A.D. 2011.


(Signature of Witness)


A Commissioner of Oaths in and for
the Province of Saskatchewan.
My Commission expires Oct. 31, 2015

CANADA
PROVINCE OF SASKATCHEWAN
TO WIT:

AFFIDAVIT OF EXECUTION

I, B. Lynn Galey, of the City of Swift Current, in the Province of Saskatchewan, MAKE
OATH AND SAY:

1. That I was personally present and did see Shane C. Scott and Michelle A. Scott named in the within instrument who each is personally known to me to be the person named therein duly sign, seal and execute the same for the purposes named therein.
2. That the same was executed at the Town of Shaunavon, in the Province of Saskatchewan, and that I am the subscribing witness thereto.
3. That I know the said Shane C. Scott and Michelle A. Scott and each is in my belief of the full age of eighteen years or more.

SWORN before me at the Town
of Shaunavon, in the Province
of Saskatchewan, this 13th
day of October, A.D. 2011.

B. Lynn Haley
(Signature of Witness)

A Commissioner of Oaths in and for
the Province of Saskatchewan.
My Commission expires

SCHEDULE "A"

\$55,000.00 Payable

First annual payment November 1, 2012

\$18,500.00 Principal
4,400.00 Interest
22,900.00

Second annual payment November 1, 2013

\$18,500.00 Principal
2,920.00 Interest
21,420.00

Third annual payment November 1, 2014

\$18,500.00 Principal
1,440.00 Interest
19,440.00

James
Initials SS



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: SHAUNAVON ELEVATOR COMPANY INC. / GARY EMPEY

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



Your claim appears to be that of an unpaid seller of goods and/or services to the Debtors. As such, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors, but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response. The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

PricewaterhouseCoopers Inc.

RECEIVED

SASKATOON

JAN 07 2013

MacPHERSON LESLIE
& TYERMAN LLP

3/01/13

att
Mike Russell

Please find attached a demand
of notice in the matter of
the Interim Receivership of
Scott and Michelle Scott.

also an invoice for screenings purchased
in 19/07/2011 plus interest.

Thanks
Gary Empey
Shannon Elevation
Company INC.

DEMAND FOR NOTICE

TO:

1. Bank of Montreal
c/o Miller Thomson LLP
600 - 123 2nd Avenue South
Attention: David Gerecke
Email: dgerecke@millerthomson.com
Fax: 306-652-1586
2. PricewaterhouseCoopers Inc.
111-5th Avenue SW, Suite 3100, Calgary AB T2P 5L3
Attention: Donald J. Roberts
Email: don.roberts@ca.pwc.com
Fax: 403-781-1825

Re: In the Matter of the Interim Receivership of Shane Scott and Michelle Scott

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

- (a) by email, at the following email address:
Shaunavan.elevator@sasktel.net
- (b) by facsimile, at the following facsimile number:

Signature: Mary Simpson

Name of Creditor: Shaunavan Elevator Company

Address of Creditor: Box 457 INC

Shaunavan slc
Sonamo

Phone Number: 1-306-297-2235

DEMAND FOR NOTICE

TO:

1. Bank of Montreal
c/o Miller Thomson LLP
600 – 123 2nd Avenue South
Attention: David Gerecke
Email: dgerecke@millerthomson.com
Fax: 306-652-1586
2. PricewaterhouseCoopers Inc.
111-5th Avenue SW, Suite 3100, Calgary AB T2P 5L3
Attention: Donald J. Roberts
Email: don.roberts@ca.pwc.com
Fax: 403-781-1825

Re: In the Matter of the Interim Receivership of Shane Scott and Michelle Scott

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

(a) by email, at the following email address:
Shaunavon.elevator@sasktel.net

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

Signature: [Signature]

Name of Creditor: Shaunavon Elevator Company

Address of Creditor: Box 457 INC

Shaunavon SK

SONAMO

Phone Number: 1-306-297-2235

Box 457
Shaunavon, Saskatchewan S0N 2M0
Canada

EASTEND
pilot, Saskatchewan
Canada **SONOTO**

Invoice No.: 3140
Date: 19/07/2011
Page: 1

[illegible]

1-306-662-7529.

~~CONFIDENTIAL~~ 2

Shaunavir, Elevator Co. Inc.

SCALE TICKET

Date 11/17/11

Name Shawn Scott

Address

Product Barley

3364

Tonnes	
Gross Wt. (Inc. Vehicles)	46 4/5
Vehicle Wt.	13 4/5
Net Weight	32 9/10

Invoice Number

Weighed by

PRODUCT - TONNES			
1	484/10		
2	1324/5		
3	3218/5		
TOTAL			
Clean Grain			
Screenings			
Waste			

Customer's Signature



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: SHAUNAVON LIVESTOCK SALES (88) LTD.

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



Your claim appears to be that of an unpaid seller of goods and/or services to the Debtors. As such, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors, but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response. The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

PricewaterhouseCoopers Inc.

December 31, 2012

Attn: Jeffrey M. Lee and
Mike Russell

From: Shaunavon Livestock Sales (88) Ltd

Re: Shane & Michelle Scott

To Whom It May Concern:

Please find documents supporting the amount of \$149,539.88 that Shane/Michelle Scott owes Shaunavon Livestock Sales (88) Ltd. for cattle purchases. This amount includes interest charged at 8% which was the amount stated by Shane Scott and agreed upon by the two parties. Interest was calculated to the point of time that he made a payment, or to the time of a promised, but defaulted, payment, or the end of our fiscal year.

I have sent you the "recaps" of the sales involved, showing the total of each sale, and can provide the particular invoices pertaining to each recap if need be. Other writing on the recaps was for our bookkeeping use at the time.

Sincerely,



Ralph Oberle

Shaunavon Livestock Sales (88) Ltd.

Box 1419

Shaunavon, Sask. S0N 2M0

Total pages including this cover letter – 21

Schedule "B"

Q.B. No. 1331 of 2012

CANADA)
 PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
 JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL**PLAINTIFF**

- and -

SHANE SCOTT and MICHELLE SCOTT

**DEFENDANTS
 (RESPONDENTS)**

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

Shannavon Livestock Sales (88) Ltd.

Box 1419

Shannavon, Sask. S0N2M0

I, Ralph Oberle of the Town of Shannavon, in the Province of Saskatchewan do hereby certify:

1. That I am the claimant, (or That I am) President / Director (position or title) of Shannavon Livestock Sales (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").

- 10 -

1796116v4

4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.
5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:
- (set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)*
6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the Town of)
Shaunavon in the Province of)
 Saskatchewan, this 21 day of)
Dec, 2012.)

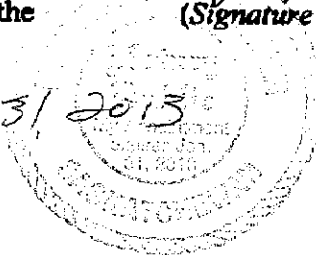
Heena Tchara)
 A Commissioner for Oaths in and for the)
 Province of SK)

~~Being a Solicitor OR~~

My Commission Expires:

Jan 31, 2013

x Ralph Oberle
 (Signature of Claimant)



INVOICE

Box 1419
Shaunavon, SK S0N 2M0

Phone: (306) 297-2457
Fax: (306) 297-2371

SHAUNAVON LIVESTOCK SALES (88) LTD.

Oct 15 2008
DATE

000000
INVOICE NO.

BUYER SCOTT

(RECAP)

BOX 2080
MAPLE CREEK, SK
S0N 1N0

Inv#		Avg-wt	Wt/lbs	Price	Gross-amt	Expenses	Net-amt
SS22	001363	5 STR	424	2168	105.00	2,276.40	
SS38	001364	9 STR	426	3837	108.00	4,143.96	2.90
SS491	001365	3 HFR	343	1028	70.00	719.60	5.22
SS494	001366	2 STR	405	810	99.50	805.95	1.74
SS496	001367	1 HFR	810	810	80.00	648.00	1.16
						.58	

20 8,653 \$8,653.91 \$11.60 \$8,665.51

HARTFORD 11.60

EXPENSES

\$11.60

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

DEALER LICENCE NO. 1156
GST NO. 121080885

Box 1419
Shauvavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

DATE

Oct 15, 2008 (RECAP)

INVOICE NO.

000000

BUYER SHANE SCOTT

BOX 2080
MAPLE CREEK, SK
S0N 1N0

	INV#		AV-WT	WT/LBS	PRICE	GROSS-AMT	EXPENSES	NET-AMT
SS10	001359	7 STR	706	4945	96.50	4,771.93		
SS274	001360	1 HFR	715	715	81.25	580.94	4.06	4,775.99
SS4	001361	18 HFR	906	16310	88.36	14,412.03	.58	581.52
SS7	001362	8 HFR	713	5705	75.75	4,321.45	10.44	14,422.47
							4.64	4,326.09

34

27,675

\$24,086.35

\$19.72

\$24,106.07

EXPENSES

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

\$24,106.07

DEALER LICENCE NO. 1169
GST NO. 121080865

INVOICE

Box 1419
Shauvavon, SK S0N 2M0

Phone: (306) 297-2457
Fax: (306) 297-2371

SHAUNAVON LIVESTOCK SALES (88) LTD.

Oct 27 2008

2008000
INVOICE NO.

SHANE SCOTT

(RECAP)

BOX 2000
MAPLE CREEK, SK
S0N 1N0

	Invt#		Avg-wt	Wt/lbs	Price	Gross-amt	Expenses	Net-amt
SS13	001420	3 BULL	438	1314	101.00	1,327.14	1.74	1,328.88
SS19	001421	2 HFR	299	597	98.00	585.06	1.16	586.22
SS21	001422	5 STR	316	1580	114.00	1,801.20	2.90	1,804.10
SS3	001423	13 HFR	478	6208	86.50	5,369.92	7.54	5,377.46
SS408	001424	22 HFR	502	11047	87.75	9,693.75	12.76	9,706.51
SS490	001425	16 HFR	377	6033	94.00	5,671.02	9.28	5,680.30
SS61	001426	7 HFR	414	2901	92.00	2,668.92	4.06	2,672.98
SS63	001427	3 HFR	503	1509	85.00	1,282.65	1.74	1,284.39

71 31,199 \$28,399.66 \$41.18 \$28,440.84

HARTFORD 41.18

EXPENSES

\$41.18

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

L. Oberle
(per) Shane Scott
SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

\$28,440.84

DEALER LICENCE NO. 1155
GST NO. 121080685

Box 1419
Shauvavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

Oct 24 2000

000000
INVOICE NO.

BUYER
SHANE SCOTT

(RECAP)

BOX 2080
MAPLE CREEK, SK
S0N 1N0

Inv#			Aug-wt	Wt/lbs	Price	Gross-amt	Expenses	Net-amt
SS00	001462	3 HFR	665	1994	75.00	1,495.50	1.74	1,497.24
SS15	001463	2 STR	602	1203	75.00	902.25	1.16	903.41
SS28	001464	6 HFR	353	2175	97.00	2,109.75	3.48	2,113.23
SS2A	001465	1 BULL	553	553	89.00	492.17	.58	492.75
SS2B	001466	1 STR	529	529	90.00	476.10	.58	476.68
SS2C	001467	1 HFR	810	810	78.00	631.80	.58	632.38
SS2D	001468	1 STR	272	272	100.00	272.00	.58	272.58
SS31	001469	22 HFR	525	11549	92.00	10,625.08	.00	10,625.08
SS401	001470	21 HFR	439	9222	93.00	8,576.46	12.18	8,588.64
SS410	001471	17 HFR	559	9500	90.00	8,550.00	9.86	8,559.86
SS493	001472	13 STR	349	4542	115.00	5,223.30	7.54	5,230.84
SS456	001473	5 STR	491	2455	96.00	2,356.80	2.90	2,359.70

93

44,804

\$41,711.21

\$41.18

\$41,752.39

HARTFORD

41.18

EXPENSES

\$41.18

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

Lorraine Oberle
(per) S. Scott

SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

\$41,752.39

DEALER LICENCE NO. 1159
GST NO. 121080865

Box 1419
Shauvavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

Oct 27 2008
DATE

000000
INVOICE NO.

BUYER
SHANE SCOTT

(RECAP)

BOX 2080
MAPLE CREEK, SK
S0N 1N0

Inv#			Avg-wt	Wt/lbs	Price	Gross-amt	Expenses	Net-amt
SS10	001507	7 HFR	520	3639	84.50	3,074.97	4.06	3,079.03
SS13	001508	16 STR	495	7919	100.50	7,958.60	9.28	7,967.88
SS24	001509	2 HFR	796	1591	76.25	1,213.14	1.16	1,214.30
SS20	001510	1 HFR	878	878	77.00	676.00	.58	676.64
SS33	001511	4 STR	533	2131	95.25	2,029.78	2.32	2,032.10
SS487	001512	6 BULL	432	2594	107.00	2,775.58	3.48	2,779.06
SS438	001513	3 HFR	305	915	93.75	857.82	1.74	859.56
SS493	001514	3 HFR	501	1504	82.00	1,233.28	1.74	1,235.02
SS494	001515	6 STR	464	2784	107.50	2,992.81	3.48	2,996.29
SS497	001516	2 HFR	529	1058	74.00	782.92	1.16	784.08
SS438	001517	7 HFR	526	3682	85.00	3,129.70	4.06	3,133.76
SS54	001518	6 STR	314	1883	122.00	2,297.26	3.48	2,300.74
SS55	001519	5 STR	525	2626	95.00	2,494.70	2.90	2,497.60
SS58	001520	2 HFR	517	1034	85.50	884.07	1.16	885.23
SS62	001521	10 HFR	513	5239	88.00	8,130.32	10.44	8,140.76
SS8	001522	1 STR	473	473	100.00	473.00	.58	473.58

89 43,950 \$41,004.01 \$51.62 \$41,055.63

HARTFORD 51.62

EXPENSES

\$51.62

TOTAL
EXPENSES

\$41,055.63

PLEASE
REMIT

DEALER LICENCE NO. 115
GST NO. 121080865

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

Box 1419
Shauvavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

DATE

Dec 1, 2000 (RECAP)

INVOICE NO.

000000

BUYER SHANE SCOTT

BOX 2080
MAPLE CREEK, SK
S0N 1N0

	INV#		AV-WT	WT/LBS	PRICE	GROSS-AMT	EXPENSES	NET-AMT
SS19	001655	18 COW	1351	24505	613.61	11,045.00	22.70	11,065.70
SS2	001655	1 HERT	1105	1105	39.00	430.95	.58	431.53

13

25,610

\$11,475.95

\$21.28

\$11,497.23

EXPENSES

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

Lorraine Oberle
(see) Shane Scott
SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

\$11,497.23

DEALER LICENCE NO. 115972
GST NO. 121080855

Ralph/Lorraine Oberle

02 Jan 13 06:11p

Box 1419
Shauvavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

DATE

Dec 1, 2000 (RECAP)

INVOICE NO.

000000

BUYER

~~WATTELL FINANCIAL CORP~~
~~SHANE SCOTT~~
~~10150 SITE 2 ARE~~ Box 2080
~~QUINCY, AB~~ Maple Creek, SK
~~ALJAE~~ SON INO

INV#		AV-WT	WT/LBS	PPICE	GROSS-AMT	EXPENSES	NET-AMT		
SCOT1	001652	3	STR	587	1760	26.91	1,529.55	1.74	1,531.29
SCOT2	001653	19	MIX	498	9460	91.40	8,646.73	11.02	8,657.75
SCOT4	001654	3	STR	393	1180	116.00	1,368.80	1.74	1,370.54

25

12,400

\$11,545.08

\$14.50

\$11,559.58

EXPENSES

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

Lorraine Oberle
(per) Shane Scott
SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

\$11,559.58

DEALER LICENCE NO. 11597
GST NO. 121080865

02 Jan 13 06:11p

Ralph/Lorraine Oberle

1-306-297-3090

p.11

Box 1419
Shaunavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

Mar DATE 2009

000000
INVOICE NO.

BUYER
SHANE SCOTT

(RECAP)

BOX 2080
MAPLE CREEK, SK
S0N 1N0

Inv#	Qty	Weight	Wt/Lbs	Price	Gross amount	Expenses	Net amount	
SS25	001743	3 HFR	517	1552	95.00	1,474.40	.00	1,474.40
SS27	001744	6 HFR	641	3846	95.50	3,672.94	.00	3,672.94
SS30	001745	1 STR	543	543	75.00	407.25	.00	407.25
SS31	001746	4 HFR	442	1769	100.00	1,769.00	.00	1,769.00
SS36	001747	5 HFR	369	1843	96.00	1,769.28	.00	1,769.28
SS489	001748	1 STR	500	500	105.00	525.00	.00	525.00
SS490	001749	2 STR	298	795	125.00	993.75	.00	993.75
SS491	001750	8 HFR	485	3880	106.00	4,112.80	.00	4,112.80

30

14,728

\$14,724.42

\$14,724.42

EXPENSES

\$.00

TOTAL
EXPENSES

\$14,724.42

PLEASE
REMIT

DEALER LICENCE NO. 11597:
GST NO. 121080865

02 Jan 13 06:12p

Ralph/Lorraine Oberle

1-306-297-3090

p.12

THANK YOU

SIGNATURE FOR RECEIPT OF INVOICE

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

Box 1419
Shaunavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

Year DATE 2000

Invoice No.

BUYER
SHANE SCOTT

(RECAP)

BOX 2000
MAPLE CREEK, SK
S0N 1N0

Inv#			Avg Wt	Wt/Lbs	Price	Gross amt	Expenses	Net amt
552	001734	1 MIX	701	2244	75.15	2,267.67	.00	2,267.67
5536	001735	2 STR	698	1395	88.50	1,235.47	.00	1,235.47
55483	001736	27 HFR	429	11865	119.50	14,178.70	.00	14,178.70
55490	001737	2 STR	308	3127	121.00	3,759.47	.00	3,759.47
55494	001738	2 HFR	351	701	90.00	630.50	.00	630.50
55503	001739	3 HFR	665	1994	99.50	1,984.04	.00	1,984.04

45

22,107

\$24,076.25

\$24,076.25

EXPENSES

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

DEALER LICENCE NO. 11597
GST NO. 121060865

Box 1419
Shauvavon, SK S0N 2M0

SHAUNAVON LIVESTOCK SALES (88) LTD.

INVOICE

Phone: (306) 297-2457
Fax: (306) 297-2371

DATE
Nov 16, 2009 (RECAP)

INVOICE NO.

000000

BUYER SHANE SCOTT

BOX 2080
MAPLE CREEK, SK
S0N 1N0

	INV#		AV-WT	WT/LBS	PRICE	GROSS-AMT	EXPENSES	NET-AMT
SS12	002318	7 MIX	971	5795	60.95	4,141.63	.00	4,141.63
SS4	002319	8 COW	1012	8095	38.85	3,144.83	.00	3,144.83
SS9	002320	9 MIX	626	5635	68.34	3,850.88	.00	3,850.88

20,525

\$11,137.34

\$11,137.34

EXPENSES

Terms and Conditions of Sale

The Buyer shall pay to the Seller, the full amount of the purchase price for the livestock listed in this invoice, upon demand, but in any event, in the case of a livestock dealer, within the time prescribed in legislation, regulations, registrations or licenses governing livestock dealers.

SIGNATURE FOR RECEIPT OF INVOICE

THANK YOU

TOTAL
EXPENSES

PLEASE
REMIT

\$11,137.34

DEALER LICENCE NO. 1159
GST NO. 121080866

Shane
This remains unpaid, as well as the carryover from before.

I will send a complete statement of what's owing
Ralph/Lorraine Oberle

SHAUNAVON LIVESTOCK SALES (88) LTD.
Box 1419
SHAUNAVON, SK S0N 2M0

OUR NUMBER	088488
DATE	Dec 31 2009
CUSTOMER'S ORDER	

SOLD TO	Shaunavon
ADDRESS	

SHIP TO	Shaunavon
ADDRESS	

TAX REG. NO.	SALESPERSON
--------------	-------------

FOB	TERMS	VIA
-----	-------	-----

INVOICE

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	Shaunavon (1st 2nd)		25,000.00
	1st 2nd - 50.00	6615.00	
	- 4.00	1484.00	28,300.00
	1st 2nd - 50.00	1226.00	27,912.00
	2nd 2nd - 125.00	21.00	21,000.00
	1st 2nd - 1st 2nd 2nd	110,930.00	22,107.00
	1st 2nd 2nd - 1st 2nd 2nd	26.00	100,707.00
	1st 2nd 2nd - 1st 2nd 2nd	11,137.00	133,745.00
	1st 2nd 2nd - 1st 2nd 2nd	1896.00	135,741.00
		GST	
		PST	
		TOTAL	

BlueLine DC32

© BlueLine®, 2006

SHAUNAVON LIVESTOCK SALES (88) LTD.
Box 1419
SHAUNAVON, SK S0N 2M0

OUR NUMBER	088489
DATE	Dec 31 2009
CUSTOMER'S ORDER	

SOLD TO	Shaunavon
ADDRESS	

SHIP TO	Shaunavon
ADDRESS	

TAX REG. NO.	SALESPERSON
--------------	-------------

FOB	TERMS	VIA
-----	-------	-----

INVOICE

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	Shaunavon		25,000.00
	1st 2nd - 50.00	787.00	28,300.00
	- 0.7 - 1st 2nd	1500.00	
	- 1.0 - 1st 2nd	5000.00	18,449.00
	1st 2nd - 1st 2nd 2nd	120.00	18,461.00
		GST	
		PST	
		TOTAL	

BlueLine DC32

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SHAUNAVON LIVESTOCK SALES (88) LTD.
Box 1419
SHAUNAVON, SK SON 2MO

DATE 2-20-54

SHIP TO _____
ADDRESS _____

VLA

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	Hd. Panel - 60x80x1.5"		\$79.00
	Dkt - 10' x 4' by 1/2" thick - 2 pieces	/	\$78.00 ✓
	Covering material - 10' x 2' x 1/2"		\$83.00
		GST	
		PST	
		TOTAL	

Chge ENTERED

BlueLine PC20

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SHAUNAVON LIVESTOCK SALES (88) LTD.
Box 1419
SHAUNAVON, SK S0N 2M0

DATE 11-11-68

SHIP TO _____
ADDRESS _____

VIA

[illegible]

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SHAUNAVON, SK SON 2MO

CUSTOMER'S ORDER

VIA

©BlueLine®, 2006

CUSTOMER'S ORDER

VEA

© BlueLine-® 2006

SHAUNAVON LIVESTOCK SALES (88) LTD.
Box 1419
SHAUNAVON, SK SON 2M0

DATE Apr. 30 1960

SOLD TO

ADDRESS

SHIP TO

ADDRESS

TAX REG. NO.

SALESPERSON

FOB

TERMS

VIA

BlueLine® DC32

©BlueLine®, 2006

SHAUNAVON LIVESTOCK SALES (88) LTD.
Box 1419
SHAUNAVON, SK S0N 2M0

DATE June 30 1964

SOLD TO

ADDRESS

SHIP TO

ADDRESS

TAX REG. NO.

SALESPERSON

FOB

TERMS

VIA

J BlueLine DC32

©BlueLine® 2006

SHAUNAVON, SK SON 2MO

NOTRE NUMÉRO
OUR NUMBER

102290

DATE Dec 31 / 17

COMMANDE DU CLIENT
CUSTOMER'S ORDER

VENDU À
 SOLD TO
 ADRESSE
 ADDRESS

Shane Scott

LIVRE À SHIP TO ADRESSE ADDRESS	
--	--

Balance 143,742.91

N E BR. DE TAXE
TAX REG NO.

VENDEUR:
SALESPERSON

FAB
FOB

CONDITIONS
TERMS

57A

FACTURE - INVOICE

QUANTITÉ
QUANTITY

DESCRIPTION

PRIX
PRICE

MONETARY
AMOUNT

July 1/12 - Dec 31/12 - Interest at 8%
for 184 days

5796 97

Chga.

TOTAL	149,539.88
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Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: LENARD TEALE

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



The Alberta Court of Queen's Bench in *Gladue v. Asset Recovery Management & Sales*, [1997] A.J. No. 1251 (at paragraph 9) defined a conditional sales contract as "one in which the amount of the purchase price is paid over time and the seller retains title to the chattel until completion of the payments". Although your agreement with the Debtors is called a lease agreement, it appears in substance to be a conditional sales contract, in accordance with the applicable legal principles (see *DaimlerChrysler Services Canada Inc. v. Cameron*, 2007 BCCA 144).

Section 2(1)(qq) of the *Personal Property Security Act*, 1993 (the "PPSA") provides that a security interest is "an interest in personal property that secures payment or performance of an obligation". Section 3(1)(a) of the PPSA provides that the PPSA applies to everything which "in substance creates a security interest, without regard to its form and without regard to the person who has title to collateral". Conditional sales are specifically cited as security interests under the PPSA in section 3(1)(b) and, as such, are required to be registered in the personal property security registry in order to have priority over other proprietary interests in the collateral. A registration been effected by you in the personal property registry in regard to the Cattle Lease.

Notwithstanding that you may have a security interest in certain Livestock, paragraph 7 of the Claims Process Order excludes claims relating to contractually created security interests in the Livestock. Accordingly, the Receiver can release no property to you pursuant to this Claims Process.

Please consult your lawyer as to your rights outside of this Claims Process in regard to your claim.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response.



The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

PricewaterhouseCoopers Inc.

Eisner Mahon Forsyth

Barristers and Solicitors

Jacob Eisner Q.C. (Retired)
Stuart J. Eisner (Deceased)
Michael Mahon *
Trent Forsyth

101 Macleod Avenue West
P. O. Box 2680
Melfort, Saskatchewan
S0E 1A0

Refer to: Michael Mahon
Direct Line(306) 752-8209
mahonlaw@sasktel.net

* denotes mediator

Phone: (306) 752-2832
Facsimile: (306) 752-4399

3 January, 2013

MacPherson Leslie & Tyerman
Barristers & Solicitors
1500-410 22nd Street East
Saskatoon, Saskatchewan
S7K 5T6

Attention: Mike Russell

VIA FACSIMILE: 975-7145

Dear Sir:

**Re: IN THE MATTER OF THE INTERIM RECEIVERSHIP OF
SHANE C. SCOTT & MICHELLE A. SCOTT**


Our File: 11976

Your File: 29122.11

Please find enclosed herewith duly endorsed *Proof of Claim* together with appropriate Appendix "A".

We trust you find the same to be in order.

Yours truly,
EISNER MAHON FORSYTH



Michael Mahon
MM/acs

Attachments – 10 Pages

Schedule "B"

Q.B. No. 1331 of 2012

CANADA)
 PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
 JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
 (RESPONDENTS)

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

EISNER MAHON FORSYTH
BARRISTERS & SOLICITORS
BOX 2680

MELFORT, SASKATCHEWAN
SOE 1A0

MICHAEL MAHON, solicitor
 I, for Lenard Teale of the City of Melfort, in the Province of
Saskatchewan do hereby certify:

1. ~~That I am the claimant, or~~ That I am) the solicitor (position
 or title) of LENARD TEALE (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").

4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.
5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:
- (set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)*
6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the City of)
Melfort in the Province of)
Saskatchewan, this 3rd day of)
January, 2013.)

[Signature]
A Commissioner for Oaths in and for the
Province of Saskatchewan.

Being a Solicitor - OR -

My Commission Expires: Nov. 30, 2014

[Signature]
(Signature of Claimant)

Michael Mahon, Solicitor
for the Claimant, Lenard Teale

Appendix "A"
(Documents serving as Proof of Claim)

- 1. Copy of the Cattle Lease Agreement**
- 2. Copy of the Security Registration**
- 3. Copies of Proof of Payment for original Proofs of Payments made under the Lease Agreement**

08/24/2012 15:50 3868733424

KAPOOR SELNES KLIMM

PAGE 82/82



**Saskatchewan
Personal Property Registry
Setup Verification**

Registration Type: Personal Property Security Agreement
Setup Date: 15-Dec-2008 13:53:52
Client Reference: T7210(b)

Registration #: 300406892
Transaction #: 1
Expiry Date: 15-Dec-2012
PIN: tat578
Control #:

Notations

Trust Indenture: No

Registrant

Party ID: 150015238 - 1
Entity Type: Business
Name: KAPOOR SELNES & KLIMM

Address: BOX 760, 904A - 101 AVENUE WEST
TISDALE, SASK
S0E1T0
Canada

Secured Party

Item #: 1
Party ID: 150798448 - 1
Entity Type: Person
Name: Teale, Lenard

Address: Box 219
Porcupine Plain, Saskatchewan
S0E1H0
Canada

Debtor Party

Item #: 1
Party ID: 150798449 - 1
Entity Type: Person
Name: Scott, Shane C.

Address: Box 2080
Maple Creek, Saskatchewan
S0N1W0
Canada

Item #: 2
Party ID: 150798450 - 1
Entity Type: Person
Name: Scott, Michelle A.

Address: Box 2080
Maple Creek, Saskatchewan
S0N1W0
Canada

General Property

Collateral: 164 cows, and their offspring, branded with the brand L over A on the left hip, pursuant to a lease agreement between Lenard Teale, as Lessor, and Shane C. Scott and Michelle A. Scott, as Lessees, dated for reference December 5, 2008.

Proceeds Claimed: purchase money security interest

CATTLE LEASE AGREEMENT

BETWEEN:

LENARD TEALE
Box 912
Porcupine Plain, SK
S0E 1H0
(hereinafter called the "Lessor")

AND:

SHANE C. SCOTT and MICHELLE A. SCOTT
Box 2080
Maple Creek, SK
S0N 1W0
(hereinafter called the "Lessee")

The Lessor owns 104 cows which the Lessee has viewed and wishes to lease;

NOW THEREFORE the parties hereto agree as follows:

1. The Lessee will lease 104 cows from the Lessor for a period from November 30, 2008, to November 30, 2012.
2. The Lessee shall pay to the Lessor rental of \$1000.00 per cow plus applicable GST, for the cows in the following manner:
 - (a) \$200.00 per cow plus applicable GST upon the signing of this agreement and prior to the cattle leaving the yardsite of the Lessor.
 - (b) \$200.00 per cow plus applicable GST on November 30, 2009 ✓
 - (c) \$200.00 per cow plus applicable GST on November 30, 2010 ✓
 - (d) \$200.00 per cow plus applicable GST on November 30, 2011
 - (e) \$200.00 per cow plus applicable GST on November 30, 2012

In the event of late payment by the Lessee in addition to any rights that the Lessor may have, the Lessor shall be entitled to 6% interest on any and all payments overdue.

The parties agree that the Lessee shall not be permitted to prepay part or all of the lease payments without the written consent of the Lessor.

08/24/2012 15:47 3068733424

KAPOOR SELNES KLIMM

PAGE 03/06

01/01 2007 00:08 FAX 2762031

002

(2)

3. The cows have been branded with the Lessor's brand, L on the left hip and the
A
Lessee shall not in any way alter or cause the brand to be changed for the duration of this
agreement or any extensions thereof.

4. The Lessee shall be responsible to feed and care for the cows at his expense
throughout the term of this lease agreement. Without limiting the generality of the
foregoing, the Lessee shall provide adequate shelter, proper feed, vitamins and animal
care including the services of veterinarians as may be required.

5. In the event of death, loss or theft of any of the cows from any and all causes, the
Lessee shall be responsible for the same and shall replace the animal at his expense.

6. In the event of death, loss or theft of any of the cows or serious illness, the Lessee
shall also notify the Lessor within 12 hours and the Lessor shall have the right to inspect
the cattle.

7. The Lessee shall keep the cows at his premises described as NE 5 10 22 W 2
RMS #110, #111
The Lessee will promptly notify the Lessor in writing if it moves the cows but shall not
be permitted to remove the cows outside of Saskatchewan and further the Lessee shall not
be permitted to sell the cows without the written consent of the Lessor.

8. The Lessor shall have the right to file a Personal Property Security Interest to
protect his interest in the cattle.

9. The Lessee and the Lessor agree that if any term or condition of this agreement is
prohibited or rendered invalid by the law of the province or territory to which this
agreement is subject, that term or condition shall be severable from this Agreement
without invalidating the remaining terms and conditions of this agreement.

10. No covenant or condition of this agreement can be waived except in writing by
the Lessor and any forbearance or indulgence of any covenant or condition or failure to
exercise any remedy or recourse by the Lessor in any regard whatsoever shall not
constitute a waiver of the covenant, condition, remedy or recourse. Until complete
performance by the Lessee of his covenants and obligations under this agreement, the
Lessor may, in his sole discretion, exercise all rights and remedies it has hereunder or at
law and such rights and remedies are cumulative and not alternative and may be
exercised separately or together in any order or combination.

(3)

11. **Applicable Law** -- This agreement shall be governed by and construed according to the laws of the Province of Saskatchewan .
12. Title to the cows is retained by the Lessor and does not pass to the Lessee until the Lessee has fulfilled this lease and exercised his option to purchase upon satisfactorily completing the terms of this lease.
13. Provided the Lessee is not in default under the terms of this agreement the Lessee shall be permitted to sell the offspring of the cows.
14. The Lessee shall not be permitted to assign his rights under this agreement.
15. I. The following constitute "event of default" under this agreement:
 - (a) failure of the Lessee to pay any amount due under this agreement;
 - (b) subjection of the cows to any lien, levy, privilege, seizure or attachment;
 - (c) the Lessee's breach of any term of the agreement;
 - (d) the Lessee having recourse of being subject to any federal or provincial statute respecting bankruptcy, insolvency or winding-up; or
 - (e) the cattle are, in the reasonable opinion of the Lessor, in danger or destruction, or are in fact lost, damaged, or destroyed.

II. On the occurrence of any of the Events of Default, the Lessor shall be entitled to:

 - (a) Recover amounts due under this agreement and unpaid as of the date of the Event of Default;
 - (b) Give the Lessee notice of the Event of Default and, subject to any delay given to the Lessee by the Lessor to remedy the default, the Lessor shall without prejudice to any other available remedy at any time thereafter have the option of immediately terminating this agreement and Lessee shall return the cows at his own expense.
 - (c) Take possession of the cattle, including all cows and calves, wherever they are located, without demand or notice and without a court order or other process of law. The Lessee agrees that it will not make nor cause to be made any claim for nor will the Lessor be liable for any damages that are caused as a result of the Lessor taking possession of the said cows and that the fact that the Lessor has taken possession shall not prejudice the Lessor's other rights under this agreement or otherwise. On taking possession of the cows the Lessor shall be entitled to sell, lease, or otherwise dispose of the cows on such terms he considers reasonable.

08/24/2012 15:47 3068733424

KAPOOR SELNES KLIMM

PAGE 05/06

01/01 2007 00:07 FAX 2752031

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(4)

- (d) Recover from the Lessee any expenses incurred by the Lessor in disposing of the cows including costs incurred in the recovery of possession (seizure or otherwise), cost of feeds, vitamins, drugs and veterinarian bills.
- (e) Recover from the Lessee all applicable goods and services taxes on the resulting net amount.
- (f) Recover from the Lessee any administrative and legal costs on a solicitor-client basis incurred by the Lessor.

16. The Lessor may exercise any or all of the rights, remedies and powers of the Lessor under the Personal Property Security Act for Saskatchewan as the case may, both as amended from time to time or any other applicable legislation, or otherwise existing, whether under this agreement or under any other agreement or at law or in equity and in addition will have the right and power (but will not be obligated) to sell, lease, rent or otherwise dispose of, or to concur in the sale, rental or disposition of the cows, whether in or out of the ordinary course of business, by private or public sale, lease or other disposition either for cash or any other manner, including deferred payment, in whole or in part, at such time or times and on such terms and conditions as the Lessor may consider appropriate and for such price or consideration as can reasonably be obtained therefor at such time.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the date and year first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of :

Witness

Witness

LEONARD TEALE

SHANE C. SCOTT

MICHELLE A. SCOTT

08/24/2012 15:47 3068733424

KAPOOR SELNES KLIMM

PAGE 05/06

01/01 2007 00:07 FAX 2782031

005

OPTION TO PURCHASE

THIS AGREEMENT is made between LENARD TEALE, of Box 912, Porcupine Plain, SK, S0E 1H0, (the "Lessor") and SHANE C. SCOTT and MICHELLE A. SCOTT, of Box 2080, Maple Creek, Saskatchewan, S0N 1W0, (the "Lessee").

The Lessor agrees that provided the Lessee is not in default under the above captioned lease agreement, the Lessee will have the option to purchase the cows by complying with the terms set forth herein. This option is not assignable by the Lessee.

The Lessee shall, 30 days prior to the last payment as set out on the attached cattle lease agreement, deliver to the Lessor written notice of the Lessee's intent to exercise the purchase option set forth below. The cows purchased is set forth in the lease agreement. The title to the cows is transferred on an "as is, where is" basis without warranties or representations whatsoever, either expressed or implied. The title to the cows does not transfer until all funds due to the Lessor have cleared the financial institution of the Lessee, said clearance to be determined at the Lessor's sole discretion.

PURCHASE OPTION	OPTION PURCHASE \$(Taxes Extra)
5 payments of \$200.00 per cow	\$1.00 per cow

IN WITNESS WHEREOF the parties hereto have hereunto set their hand and seal on the 5 day of DECEMBER, 2008.

SIGNED, SEALED AND DELIVERED)

In the presence of)

)

Witness)

)

Witness)


Lenard Teale
Shane C. Scott
Michelle A. Scott

PAGE 01

Woolly

(1)

22,448.26

RECEIVED
POSTAGE
GUARANTY TRUST CO.
APR 15 2010
PO BOX 9147 ST
DENVER CO 80214-9147



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: JAMES WILSON

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).

Although you may be a creditor of the Debtors and/or have a cause of action as against the Debtors, your claim is not supported by sufficient evidence to establish an ownership interest in



the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response. The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

Price Waterhouse Coopers Inc.

Anderson & Company

Barristers & Solicitors

December 21, 2012

Our File: 04738-008F

Interim Receiver

PricewaterhouseCoopers Inc.

JAMES G. ANDERSON, Q.C.
NEIL G. GIBBINGS
MORRIS A. FROSLIE
JAMES M. PELTIER
ERIN A. CONNICK
TYLER McCUAIG
JOEL P. FRIESEN
RYAN J. PLEWIS

Attention: Susan Shabluk

Dear Madam:

**Re: Bank of Montreal vs. Shane Scott and Michelle Scott
Q.B. No. 1331 of 2012**

TELECOPY TRANSMITTAL

FAX TO: 1(403)781-1825

The contents of this FAX are confidential and subject to solicitor/client privilege. If the reader is not the intended recipient, please understand that dissemination, distribution or copying of this fax is prohibited. If you have received this fax in error, please notify us and return the original fax to us by mail at our expense.

Total number of pages 5
Please call Kari at (306) 773-2881 if there are transmission problems

Please find attached:

1. Proof of Claim by Mr. James Wilson in the above captioned matter
2. Demand for Notice

Yours truly,


MORRIS A. FROSLIE

MAF:kdm

Encl:

pc MacPherson Leslie Tyerman

Attn: Jeffrey M. Lee and Mike Russell fax no. 1(306)975-7145

mfrosli@sasktel.net

Street Address: 51 - 1ST AVENUE NW, SWIFT CURRENT SK S9H 0M5
Mailing Address: BOX 610, SWIFT CURRENT SK S9H 3W4
TELEPHONE: (306) 773-2891 FAX: (306) 778-3364
anderson.company@sasktel.net

Schedule "B"

Q.B. No. 1331 of 2012

CANADA)
PROVINCE OF SASKATCHEWAN)

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON**

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

**DEFENDANTS
(RESPONDENTS)**

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

JAMES WILSON

BOX 392, Maple Creek SK S0N 1N0

Fax 1(306)558-4510

I, JAMES WILSON of the District of Piapot, in the Province of
Saskatchewan do hereby certify:

1. That I am the claimant, (or That I am) _____ (position
or title) of _____ (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to
below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as
interim receiver of substantially all of the property, assets and undertakings of Shane
Scott and Michelle Scott (the "Debtors").

4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.

5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:

(set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)

6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the City of)
Swift Current, in the Province of)
Saskatchewan, this 21st day of)
December, 2012.)

[Signature]
A Commissioner for Oaths in and for the
Province of Saskatchewan

Being a Solicitor - OR -

[Signature] My Commission Expires: _____

[Signature]
(Signature of Claimant)

THIS IS APPENDIX "A" ATTACHED TO A PROOF OF CLAIM OF JAMES WILSON

APPENDIX "A"

104 cows carrying the following brand:

"76" on the left hip

The above cows are security for the sum of \$61,157.00.



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: LYLE AND DOLORES BOWLES

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).

Your claim appears to be that of an unpaid seller of goods and/or services to the Debtors. As such, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors,



but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response. The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

Price Waterhouse Coopers Inc.

Date Jan 4/2012.

From

Lyle + DOLORSE Bowles
403 1535 Southview Drive SE.
Medicine Hat Alberta
T1B 4H8.

To

Jeffrey M Lee + Mike Russell
Fax 306-975-7145.

Re: Proof of Claim

Bank of Montreal

+
Shane Scott + Michelle Scott

Pages

Attached 2. (Two)

Q.B. No. 1331 of 2012

CANADA)
 PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
 JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
 (RESPONDENTS)

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

As per our conversation with Sue Shabluk all the necessary correspondence is back in Maple Creek, Sask + will be provided on or before Jan 8th/2012.

I, Lyle Bowles ^{Sp. Medicine Hat} of the Hat of Medicine Hat, in the Province of Alberta do hereby certify: City

1. That I am the claimant (or That I am) _____ (position or title) of _____ (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").
4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.

5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s).

June 5/2012 as per discussion with Sue Shalub.
attached and marked as Appendix "A" to this Proof of Claim, namely: *To be provided*
(set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)

6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the City of)
Medicine Hat, in the Province of)
Alberta Saskatchewan, this 4 day of)
JAN, 2013.)
Penny Yung)
A Commissioner for Oaths in and for the)
Province of ALBERTA.)
Being a Solicitor - OR -)
My Commission Expires: Aug 22, 2013

Lyle Bowles
(Signature of Claimant)

Penny Yung
A Commissioner for Oaths in and for
the Province of Alberta
My Commission expires Aug. 22, 2013

DATE January 8, 2013
TO Jeffrey M Lee & Mike Russell
FAX 306-975-7145

ATTENTION: JANINE

FROM Lyle Bowles
403-1535 Southview Dr. S.E.
Medicine Hat, Alberta
T1B 4H8
Phone 306-662-2916

RE Bank of Montreal
&
Shane & Michelle Scott

ENCL 3 Pages
1 Page—Personal Letter
2 Pages - Our Latest contract with Shane & Michelle

January 7, 2013

Dear Jeffrey M Lee & Mike Russell

Further to the Proof of Claim that I faxed you on January 4, 2013, between the Bank of Montreal & Shane & Michelle Scott I am now sending you more information as promised.

I am sending you the latest contract between myself & Shane & Michelle.

Please note that all the payments on this Contract have been made EXCEPT the Pasture Rent which was due April 1st of 2011 & 2012.

Shane & Michelle made a \$ 12,258.57 payment toward the April 1, 2011 Pasture Rent (Please see enclosed Agreement)

\$ 30,000.00 less \$ 12,258.57 = \$ 17,741.43 still owing for 2011.

Plus the Pasture Rent for 2012 of \$ 24,372.15

Total Pasture Rent still owing as of today's date is
 $\$ 17,741.43 + \$ 24,372.15 = \$ 42,113.15$ plus the compounded interest from 2011 & 2012.

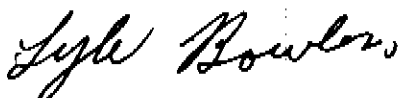
If you check with Robert Scherer, who is the Brand Inspector of CowTown Livestock of Maple Creek, Sask. Phone 306-662-2648 or Fax 306-662-2615 or www.cowtownlivestock.com

He will confirm that there was a time (when I was VERY SICK) when Shane STOLE my brand (Diamond O Right Rib) without my being aware of it & he was getting the money that I should have gotten.

Shane was afraid after three Regina Brand Inspectors came to Maple Creek & he signed my brand back to me. We didn't take this to court because Michelle is my deceased brother's daughter, & we didn't want Shane sitting in jail for fraud when he had a wife & four children to support.

If you need further information or etc. Please contact me.

We will be waiting to hear from you



Lyle Bowles

1

COMBINATION OF THE TOTAL LOANS AGREEMENT as of April 1/09**BETWEEN**

Shane Scott Box 2080, Maple Creek, Sask. S0N 1N0
 AND
 Lyle Bowles 219 Maple Creek, Sask. S0N 1N0

CATTLE LOAN

This is what was owing as of April 1/09 (This includes Principal plus compounded interest)

April 1/09	\$ 20,000.00
April 1/10	\$ 12,776.29
Total cattle loan	\$ 32,776.29

HAY LOAN

This is what was owing as of April 1/09 (This includes Principal plus compounded interest)

April 1/09	\$ 5,996.47
April 1/10	\$ 6,357.82
Total hay loan	\$ 12,354.29

UNPAID PASTURE RENT

This is what was owing as of April 1/09 (This includes Principal plus compounded interest)

April 1/11	\$ 30,000.00
April 1/12	\$ 24,372.15
Total unpaid pasture rent	\$ 54,372.15

FEED WAGON

Last Payment should have been paid due Dec 15, 09 , but
 Is not to be paid until Jan 1/10 or there will be a double payment
 Because Shane skipped a payment in 2008
 There will be Ten Per Cent Interest for 15 days
 Total unpaid Feed Wagon Payment

\$ 4,566.44
\$ 18.75
\$ 4,585.19

TOTAL LOAN OWING AS OF APRIL 1,09**\$ 104,087.92**

1

COMBINATION OF THE TOTAL LOANS AGREEMENT as of April 1/09
continued

Although the Cattle, Hay and Unpaid Pasture Loans are due April 1st of of 2009, 2010, 2011 & 2012 Lyle agrees to allow Shane to have until October 1st of these years to make the payments. Shane agrees to pay Lyle Six Percent (6%) interest on loans that are not overdue, but if the loan is paid after April 1 of any year Shane agrees to pay Ten Percent (10%) Interest on said loans. The Interest is to calculated daily & added to the Principal Amount Owing each month.

Shane agrees to pay Lyle for the Feed Wagon Payment in January 1/10. If Shane is late with this payment Ten Percent interest (10%) will be charged until the loan is paid.. The Interest is to calculated daily & added to the Principal Amount Owing each month

If Shane does not have available finances to make these payments on the dates specified he hereby gives Lyle permission enter his property & gather up & sell the approximate number Shane's cows & calves, or cow calf pairs, to equal the Principal amount of the loans, plus the compounded interest.

In such an event, Shane also agrees to be pay the expenses involved with all labour and trucking expenses , in getting the cattle to market.

This Agreement shall be binding upon by both Lyle Bowles & Shane Scott , and their heirs, executors, administrators of their Estates.

Dated this 10 day of September, 2009. In the Town of Maple Creek, in the Province of Saskatchewan.

Lyle Bowles
Lyle Bowles

Witness Keith Anton Schmidt
Commissioner of Oaths

Shane Scott
Shane Scott



30, 2013



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: MAINLINE SALES & SERVICE CO LTD.

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 allowed
 X disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).

Your claim appears to be that of an unpaid seller of goods and/or services to the Debtors. As such, you may be a creditor of the Debtors and/or have a cause of action as against the Debtors,



but you do not have an ownership interest in the Livestock in the possession and/or control of the Debtors. Accordingly, the Receiver can release no property to you.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response. The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

Price Waterhouse Coopers Inc.

Mainline Sales & Service Co Ltd.

Box 668

Maple Creek, SK

S0N 1N0

Phone - 1-306-662-2491

Fax: - 1 -306-662-4536

Fax Transmittal Form

To: PricewaterhouseCoopers Inc. **From:** Mainline Sales & Service

Attention: Ms. Susan Shabluk **Date Sent:** Jan. 4, 2013

CC:

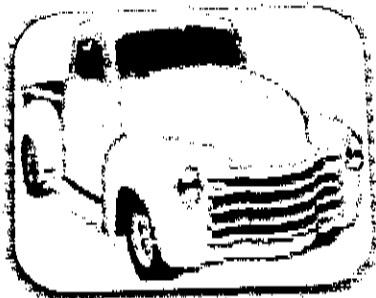
Phone:

Fax: 403-781-1825

As we talked on the phone, this is the claim for Shane Scott

Thanks

Elyse



Schedule "B"

Q.B. No. 1331 of 2012

CANADA)
PROVINCE OF SASKATCHEWAN)

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON**

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

**DEFENDANTS
(RESPONDENTS)**

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

Mainline Sales & Services

Box 668

Maple Creek SK S0N1N0

I, RODGER LEWIS of the JAN 4 of 2013, in the Province of
SASK do hereby certify:

1. That I am the claimant, (or That I am) OWNER (position
or title) of MAINLINE SALES & SERVICE (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to
below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as
interim receiver of substantially all of the property, assets and undertakings of Shane
Scott and Michelle Scott (the "Debtors").

4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.

5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:

(set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)

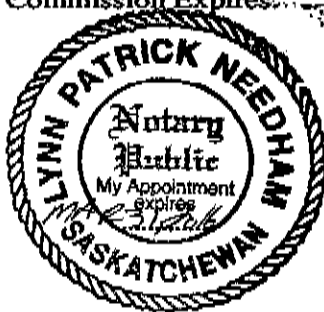
6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the Town of Maple Creek, in the Province of Saskatchewan, this Ten day of 4, 2013.

A Commissioner for Oaths in and for the Province of _____

Being a Solicitor - OR -

My Commission Expires: _____



[Signature]
(Signature of Claimant)

MAINLINE SALES & SERVICE

BOX 668

MAPLE CREEK, SASK.

SON 1N0

FAX 662-4536

306-662-2491

SHANE SCOTT

BOX 2080

MAPLE CREEK, SASK. SON 1N0

SHANE SCOTT

Account # 1438

1/02/2013

Page 1

* ACCOUNT STATEMENT *

KEEP THIS PART IN YOUR FOLDERS

=====

ATE	P.O. #	INVOICE #	AMOUNT	ON ACCOUNT /INVOICE	BALANCE
8/24/2010 LAST PAYMENT RECEIVED : \$ 354.06 CHEQUE # 144					
9/18/2009		26241	3,457.25		3,457.25
2/04/2009		26696	138.28		3,595.53
2/07/2009		Adm 2.0 %	69.15		3,664.68
2/09/2009		Cr.26727	-69.14		3,595.54
1/04/2010		Adm 2.0 %	69.15		3,664.69
2/01/2010		Adm 2.0 %	71.91		3,736.60
3/01/2010		Adm 2.0 %	73.29		3,809.89
4/01/2010		Adm 2.0 %	76.20		3,886.09
5/03/2010		Adm 2.0 %	77.72		3,963.81
6/01/2010		Adm 2.0 %	79.28		4,043.09
7/05/2010		Adm 2.0 %	80.86		4,123.95
8/03/2010		Adm 2.0 %	80.86		4,204.81
9/02/2010		Adm 2.0 %	84.10		4,288.91
0/01/2010		Adm 2.0 %	85.78		4,374.69
1/01/2010		Adm 2.0 %	87.49		4,462.18
2/01/2010		Adm 2.0 %	89.24		4,551.42
1/04/2011		Adm 2.0 %	91.03		4,642.45
2/01/2011		Adm 2.0 %	91.03		4,733.48
3/01/2011		Adm 2.0 %	92.85		4,826.33
4/01/2011		Adm 2.0 %	96.53		4,922.86
5/02/2011		Adm 2.0 %	98.46		5,021.32
6/01/2011		Adm 2.0 %	100.43		5,121.75
7/04/2011		Adm 2.0 %	102.43		5,224.18
8/02/2011		Adm 2.0 %	104.48		5,328.66
9/01/2011		Adm 2.0 %	106.57		5,435.23
0/03/2011		Adm 2.0 %	108.70		5,543.93
1/01/2011		Adm 2.0 %	110.88		5,654.81
2/01/2011		Adm 2.0 %	113.10		5,767.91

Next on page...2

01/02/2013

Page 1

ATTACH THIS PART TO YOUR PAYMENT

=====

DATE	INVOICE #	AMOUNT	ON ACCOUNT /INVOICE	BALANCE
09/18/2009	26241	3,457.25		3,457.25 []
12/04/2009	26696	138.28		3,595.53 []
12/07/2009	Adm 2.0 %	69.15		3,664.68 []
12/09/2009	Cr.26727	-69.14		3,595.54 []
01/04/2010	Adm 2.0 %	69.15		3,664.69 []
02/01/2010	Adm 2.0 %	71.91		3,736.60 []
03/01/2010	Adm 2.0 %	73.29		3,809.89 []
04/01/2010	Adm 2.0 %	76.20		3,886.09 []
05/03/2010	Adm 2.0 %	77.72		3,963.81 []
06/01/2010	Adm 2.0 %	79.28		4,043.09 []
07/05/2010	Adm 2.0 %	80.86		4,123.95 []
08/03/2010	Adm 2.0 %	80.86		4,204.81 []
09/02/2010	Adm 2.0 %	84.10		4,288.91 []
10/01/2010	Adm 2.0 %	85.78		4,374.69 []
11/01/2010	Adm 2.0 %	87.49		4,462.18 []
12/01/2010	Adm 2.0 %	89.24		4,551.42 []
01/04/2011	Adm 2.0 %	91.03		4,642.45 []
02/01/2011	Adm 2.0 %	91.03		4,733.48 []
03/01/2011	Adm 2.0 %	92.85		4,826.33 []
04/01/2011	Adm 2.0 %	96.53		4,922.86 []
05/02/2011	Adm 2.0 %	98.46		5,021.32 []
06/01/2011	Adm 2.0 %	100.43		5,121.75 []
07/04/2011	Adm 2.0 %	102.43		5,224.18 []
08/02/2011	Adm 2.0 %	104.48		5,328.66 []
09/01/2011	Adm 2.0 %	106.57		5,435.23 []
10/03/2011	Adm 2.0 %	108.70		5,543.93 []
11/01/2011	Adm 2.0 %	110.88		5,654.81 []
12/01/2011	Adm 2.0 %	113.10		5,767.91 []

Next on page...2

MAINLINE SALES & SERVICE
BOX 668
MAPLE CREEK, SASK.
SON 1N0

FAX 662-4536
306-662-2491

SHANE SCOTT
BOX 2080
MAPLE CREEK, SASK. SON 1N0

SHANE SCOTT Account # 1438

* ACCOUNT STATEMENT *

KEEP THIS PART IN YOUR FOLDERS

DATE	P.O. #	INVOICE #	AMOUNT	ON ACCOUNT /INVOICE	BALANCE
1/03/2012		Adm 2.0 %	115.36		5,883.27
2/01/2012		Adm 2.0 %	117.67		6,000.94
3/31/2012		Cr.33398	-6,000.94		

TOTAL BALANCE TO PAY :

120 days	90 days	60 days	30 days	Current
6000.94	-6000.94			

Amount of Tax-1 : 157.15
Amount of Tax-2 : 157.15

ATTACH THIS PART TO YOUR PAYMENT

DATE	INVOICE #	AMOUNT	ON ACCOUNT /INVOICE	BALANCE
01/03/2012		Adm 2.0 %	115.36	5,883.27
02/01/2012		Adm 2.0 %	117.67	6,000.94
10/31/2012		Cr.33398	-6,000.94	

TOTAL BALANCE TO PAY :

120 days	90 days	60 days	30 days	Current
6000.94	-6000.94			

WRITE THE AMOUNT PAID HERE -----> :

MAINLINE SALES & SERVICE

BOX 668

MAPLE CREEK, SASK.

SON 1N0

FAX 662-4536

306-662-2491

WHEELS REMOVED FOR SERVICE-RETORQUE WITHIN 50KMS

Tax-1 # R890814882

Tax-2 # 1477306

Page 1/3

SHANE SCOTT
BOX 2080
MAPLE CREEK, SASK.
SON 1N0
306-558-4620 #
306- - #

09/18/2009, 10:57h.
CHEV/TRUCK
PICKUP K25
V8 6.50 1997
327329
366GAL ,1438

1GCGK24E2VE269629-

EST. REF.26914

**COPY OF INVOICE
DETAILS**

PARTS LABOR

UNIT

		RE K.KESLICK CELL #662-7970 CH CLUTCH				
1.00	NNC360058	CLUTCH SLAVE CYLINDER	216.870	3	216.87	216.87
1.00	NNCMU1987-1	NEW CLUTCH PACK	523.960	1 3	517.67	517.67
6.50	/HOUR(S)	REPLACE CLUTCH UNIT	70.000	3	70.00	455.00
		REPLACE CLUTCH SLAVE CYL				

		5 SPD MW3 TRANS ORDER TR/INPUT SHAFT TRANS MOUNT CH B/JTS				

		GVW 8600				
2.00	NCP260-1316	UPPER BALL JOINT	128.500	3	128.50	257.00
2.00	NCP260-1475	BALL JOINT	96.120	3	96.12	192.24
1.00	NCP269-2728	OUTER TIE ROD END	110.270	3	110.27	110.27
3.50	/HOUR(S)	REPLACE ALL BALL JOINTS	70.000	3	70.00	245.00
		REPLACE R/OUTER TIE ROD END				

GST

PST

SUB TOTAL

INVOICE # 26241

Page 1/3

TOTAL

Page 1/3



I hereby authorize the repair work herabove set forth to be done with the necessary parts and material and agree that you are not respot responsible for loss or damage to vehicle or articles left in vehicle in case of fire, theft, or any other cause beyond your control or for any delays caused by unavailability of parts or delays in parts shipment by the supplier or transporter. I hereby grant you and/or your employees permission to operate the vehicle herein described on streets, highways or elsewhere for the purpose of testing and/or inspection. An express mechanics lien is hereby acknowledged on above vehicle to secure the amount of repairs thereto.

MAINLINE SALES & SERVICE

BOX 668

MAPLE CREEK, SASK.

SON 1N0

FAX 662-4536

306-662-2491

WHEELS REMOVED FOR SERVICE-RETORQUE WITHIN 50KMS

Tax-1 # R890814882

Tax-2 # 1477306

Page 3/3

SHANE SCOTT
BOX 2080
MAPLE CREEK, SASK.
SON 1N0
306-558-4620 #
306- - #

09/18/2009, 10:57h.
CHEV/TRUCK
PICKUP K25
V8 6.50 1997
327329
366GAL ,1438
1GCGK24F2VE269629-

EST. REF.26914

COPY OF INVOICE

UNIT

DETAILS

PARTS LABOR

CHARGE
MILEAGE 327329

* PRODUCTS DISCOUNTS: 13.76

SUBJ.TO TAX1: 5.00% : 3142.95
SUBJ.TO TAX2: 5.00% : 2249.95 5.00% : 893.00
TOTAL HOURS LAB. : 12.76

2249.95 893.00
112.50 44.65
GST

F= FEDERAL TAX EXEMPTED.

P= PROVINCIAL TAX EXEMPTED.

PST 112.50 44.65
SUB TOTAL 2474.95 982.30

INVOICE # 26241

Page 3/3

TOTAL

3457.25

Page 3/3



I hereby authorize the repair work herabove set forth to be done with the necessary parts and material and agree that you are not respot responsible for loss or damage to vehicle or articles left in vehicle in case of fire, theft, or any other cause beyond your control or for any delays caused by unavailability of parts or delays in parts shipment by the supplier or transporter. I hereby grant you and/or your employees permission to operate the vehicle herein described on streets, highways or elsewhere for the purpose of testing and/or inspection. An express mechanics lien is hereby acknowledged on above vehicle to secure the amount of repairs thereto.

THE KEY TO GREAT SERVICE!

Shane & Michelle Scott
Box 159
Eastend, Sask.
S0N 0T0

January 17, 2012

Mainline Sales & Service
Box 2077- 668
Maple Creek, SK.
S0N 1N0

To whom it may concern:

Thank you for your continued support in our hard financial times.
We are sorry that we have affected you directly.

As you might already know, it has been 5 years in February since we received contaminated feed from the Federated Coop. It was the first and the last load of feed purchased from them. Their warranty is not very good. They have offered no support and we are left with endless Lawyer bills to pay so therefore this has totally crushed our business. We have worked so hard and love what we are doing we have built our business from the ground up, basing our relationships on trust and loyalty. We worked very hard on getting this and over night, this was lost. We could not have survived mentally, physically or emotionally without you.

We are moving ahead and justice will be paid for and to whom we owe money to we will work until the debts are paid. Thanks for your patience and support. Please do not be afraid to contact us please know we did not do any of this to gain or to hurt you. Please try to consider us friends and business acquaintances.

Sincerely,

Shane Scott



Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: SHELDON GUCKERT AND BELINDA GUCKERT

AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("Receiver") of substantially all of the property, assets and undertaking of the Debtors, has been

 X allowed
 disallowed for the following reasons:

The Claims Process Order of the Honourable Madam Justice Rothery dated December 6, 2012, a copy of which is enclosed, prescribes a process for the determination by the Receiver of claims of persons claiming ownership of any of the livestock (the "Livestock") in the possession and/or control of the Debtors as of the date of the Interim Receivership Order (namely, October 9, 2012).



The Ranching Joint Venture Agreement provides that all Livestock contributed to the joint venture shall remain your property. Article 6.1 provides that all Livestock and all offspring of Livestock and all replacement Livestock shall carry your brand.

Based on the foregoing, the Debtors have no interest in any Livestock containing your brand. Accordingly, the Receiver hereby allows your Proof of Claim to the extent of any Livestock containing your brand.

Subject to final Court approval, the Livestock bearing your brand will be released to you, and the Receiver will be in contact with you in due course to make the necessary arrangements in that regard. Please be advised that certain costs associated with the feeding, securing (including storage and transport) and caring for of the Livestock may be allocated to the Livestock claimed by you, and that you may be responsible to pay such costs.

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response.

The December 6, 2012, Claims Process Order sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Calgary, Alberta the 18th day of January, 2013.

Prud'homme & Coopers Inc.

Q.B. No. 1331 of

A.D.2012

IN THE COURT OF QUEEN'S BENCH
FOR SASKATCHEWAN JUDICIAL CENTRE
OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

AND:

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS (RESPONDENTS)

SERVICE BY FACSIMILE

DOCUMENT(S) ENCLOSED: Proof of Claim, dated January 7, 2013.

SENDER'S NAME: **R. Bradley Hunter**
Hunter Peterson Deagle LLP
Barristers, Solicitors and Collaborative Lawyers
600 – 2500 Victoria Avenue
Regina, Saskatchewan, S4P 3X2

FACSIMILE NUMBER: 565-8806

TO WHOM: **Jeff Lee and/or Mike Russell**
MacPherson Leslie & Tyerman
Barristers and Solicitors
1500, 410 – 22nd Avenue E
Saskatoon, Saskatchewan
S7K 5T6

FORWARDED TO FACSIMILE NUMBER: 1 (306) 975-7145

DATE OF SERVICE: January 7, 2013

NUMBER OF PAGES INCLUDING SERVICE FORM: 15

TO CONTACT IN THE EVENT OF TRANSMISSION DIFFICULTIES:
Rimanta at 525-6103

Q.B. No. 1331 of

2012

IN THE COURT OF QUEEN'S BENCH FOR
SASKATCHEWAN JUDICIAL CENTRE OF
SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

-and-

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS (RESPONDENTS)

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

R. Bradley Hunter Q.C.
Hunter Peterson Deagle LLP
Barristers, Solicitors and Collaborative Lawyers
#600 2500 Victoria Avenue
Regina, Saskatchewan Canada S4P 3X2
Telephone: (306) 525-6103
Fax: (306) 565-8806

**I, SHELDON GUCKERT of the Town of Maple Creek in the Province of Saskatchewan,
MAKE OATH AND DO HEREBY CERTIFY:**

- I. That I am the claimant herein together with my wife Belinda Guckert the co-claimant herein.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").
4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.


5. That the claimants hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:


A) Ranching and Joint Venture Agreement dated January 1, 2009;

6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

7.) In addition, we will claim as secured creditors.

SWORN BEFORE ME at the Town of)
North Battleford, in the Province of)
Saskatchewan, this 7 day of)
January, 2013)




A COMMISSIONER FOR OATHS in and
for the Province of Saskatchewan
Being A Solicitor
My Commission Expires: January 31, 2014

This document was delivered by:
Hunter Peterson Deagle LLP
Barristers and Solicitors
600 - 2500 Victoria Avenue
REGINA, Saskatchewan
S4P 3X2

Address for service:	same as above
Lawyer in charge:	R. Bradley Hunter Q.C.
Telephone:	(306) 525-6103

APPENDIX "A"

THIS AGREEMENT MADE IN DUPLICATE EFFECTIVE THIS 1ST DAY OF JANUARY, 2009.

**BETWEEN: SHELTON GUCKERT and BELINDA GUCKERT
both of Maple Creek,
In the Province of Saskatchewan**

HEREINAFTER CALLED THE "OWNER"

**AND: SHANE SCOTT and MICHELLE SCOTT,
both of Maple Creek,
in the Province of Saskatchewan**

HEREINAFTER CALLED THE "OPERATOR"

RANCHING JOINT VENTURE AGREEMENT**WHEREAS:**

- a) the Owner and Operator have agreed to form a joint venture for the purpose of carrying on a ranching operation on certain lands herein stated and in accordance with the terms, agreements and provisions as herein stated.
- b) the Owner owns Lands and Livestock described in this agreement.
- c) the Operator has the ranch machinery, equipment, livestock facilities and personnel necessary to carry on the ranch operations.
- d) each of the parties will take an active part in the conduct of the joint venture and will participate in the venture in the manner and upon the terms as hereinafter more specifically set out.

NOW THEREFORE in consideration of the premises and of the mutual covenants and agreements hereinafter contained the parties hereto agree with each other as follows:

1. DEFINITIONS

1.1 The terms defined in this Article 1 shall, for all purposes of this agreement, have the meanings herein specified unless the context otherwise requires:

- a) "This agreement" means this instrument including the preambles and all of the schedules hereto, and the expressions "herein", "hereto", "hereof", "hereby", "hereunder", and similar expressions refer to this agreement as so defined and not to any particular article, section or other subdivision hereof except where the context otherwise requires.

- b) **"Assets of the Joint Venture"** means assets belonging to the Joint Venture and to be distributed to the Joint Venturers in accordance with the Participating Interests as herein stated and specifically excludes Fixed Assets; and includes offspring of the Livestock, proceeds from the sale of offspring and bank accounts, if any, of the Joint Venture.
- c) **"Lands"** and **"land"** and **"said lands"** and **"said property"** means the lands set forth in Article 3. hereof, owned by the Owner and contributed to this Joint Venture.
- d) **"Livestock"** means 217 head of mature bred cows owned by the Owner and replacement cows (heifers), such additional livestock that the Owner may contribute from time to time.
- e) **"Equipment"** means ranch machinery and equipment provided by the Operator to carry on and conduct all ranching operations on the Lands.
- f) **"Fixed Assets"** means assets and/or property of a fixed and identifiable nature, including land, fixtures, buildings and improvements on land, leased land, equipment, machinery, tools and vehicles contributed by a party to the Joint Venture for the purpose of carrying on the Business of the Joint Venture and which assets and/or property remains the sole and absolute property of the party contributing the same, save and except as herein specifically stated.
- g) **"Owner"** means **SHELDON GUCKERT** and **BELINDA GUCKERT**, the Parties of the First Part.
- h) **"Operator"** means **SHANE SCOTT** and **MICHELLE SCOTT**, the Parties of the Second Part.
- i) **"Revenue"** means:
- i) the proceeds received from the sale of offspring from the livestock and cull cows; and
 - ii) Government assistance; and
 - iii) loss of use payments received from Third Parties in respect of the Lands.

2. PURPOSE

- 2.1 The Owner and Operator hereby enter into and form a joint venture with the limited purpose of carrying on a ranching operation upon the Lands, utilizing the Livestock and the Equipment for the raising of calves and yearlings for market.
- 2.2 This joint venture shall be strictly limited to the purpose as herein stated for the production of ranch revenue and shall not be extended by implication.
- 2.3 Nothing in this agreement shall restrict the freedom of the parties to conduct any other business or other activity whatsoever. Neither party shall be accountable to the other for any activities not included in this agreement nor shall this agreement be construed as to limit either of the parties from conducting ranch business independent of this joint venture.
- 2.4 Except as provided in this agreement neither party shall have the authority to act for or assume any obligations or responsibilities on behalf of the other.
- 2.5 The parties agree that the obligations created by this agreement are separate and several and not joint and collective (as in a partnership arrangement). Neither party shall be

responsible for the actions of the other by virtue of this agreement.

3. CAPITAL CONTRIBUTIONS

3.1 GUCKERT shall contribute the use of the following fixed assets to the Joint Venture, namely:

- a) Land set forth in **Schedule "A"** attached hereto and forming part hereof;
- b) the Livestock.

3.2 SCOTT shall contribute the use of the following fixed assets to the Joint Venture, namely:

- a) Fixed Assets set forth in **Schedule "B"** attached hereto and forming part hereof.

4. PROHIBITIVE ACTIONS

4.1 Neither party shall, without the consent of the other party, compromise or release any debt due to the Joint Venture or the other party for less than full payment thereof, or engage in any transaction on behalf of the Joint Venture other than a normal transaction for the Business of the Joint Venture.

4.2 Neither party shall, without the consent in writing of the other party, do any of the following:

- a) Lend any money or deliver on credit any goods belonging to or otherwise give credit on behalf of the Joint Venture.
- b) Release or compromise any debt owing to or claimed by the Joint Venture.
- c) Assign or mortgage his share or interest in the Joint Venture or introduce or attempt to introduce any other person into the Business of the Joint Venture.
- d) Make any journey or voyage on account of the Joint Venture.

4.3 The Joint Venturers agree that in order not to impair the operation of the Joint Venture, including any financing that may be required from time to time, that they shall not be at liberty to pledge, mortgage, charge or otherwise encumber their undivided interest in the Joint Venture and/or the Assets of the Joint Venture in any way whatsoever without the consent in writing of the other Joint Venturers, which shall not be unreasonably withheld.

4.4 Neither Joint Venturer shall be at liberty to pledge, mortgage, charge or otherwise encumber the Fixed Assets contributed by the other Joint Venturer.

5. TERM

5.1 This agreement shall commence on the 1st day of January, 2009 and end on the 1st day of December, 2010 (the "Initial Term").

5.2 From and after the initial term, this contract shall continue for successive further terms of one (1) year, automatically renewing each year unless either party terminates this agreement in accordance with Article 5.3.

5.3 This agreement may be terminated by either party provided the party desiring to terminate shall give notice to the other party of the termination in accordance with the written notice provisions hereinafter set forth, at any time on or before the 1st day of December in any year. In the event neither party terminates this agreement on or before the said date, then this agreement shall continue in full force and effect as provided in Article 5.2.

6. BRAND

6.1 The parties agree that the Livestock and all offspring of the Livestock and all replacement livestock shall carry the Owner's brand, namely:

Half Diamond Opening Down Over J Connected Backward J



7. MANAGEMENT AND OPERATION

7.1 The overall management and control of the ranching operation and affairs of the joint venture shall be vested in the parties equally and collectively except where otherwise herein stated to the contrary.

8. OPERATOR'S RESPONSIBILITY

8.1 The Operator will perform the day-to-day ranching operations and paying certain costs in relation to those operations as specified in attached Schedule "C".

8.2 The Operator will use his best endeavour and approved methods of husbandry care for, feed and maintain in good health, the Livestock and offspring.

8.3 The Operator shall at the Operator's cost and expense replace Livestock that die, are culled or more than eight (8) years old, with a breeding heifer.

9. OWNER'S RESPONSIBILITY

9.1 The Owner will pay the expenses set forth in attached Schedule "C".

10. MUTUAL AGREEMENTS AND OBLIGATIONS

10.1 The Owner and Operator will discuss and mutually agree each year what Livestock are to be culled and the replacement heifers for the culled Livestock.

11. DISTRIBUTION OF REVENUE

11.1 Revenue shall be distributed as follows:

- a) one-third (1/3) of revenue shall be paid to the Owner;
- b) two-thirds (2/3) of revenue shall be paid to the Operator.

11.2 The Owner will be entitled to any benefits that may be derived from pipeline easements, seismic operation or benefits from minerals, gravel, coal or for any surface rights relating to minerals exploration on the said lands, save and except crop loss damage which shall be paid to the Operator.

12. ASSIGNMENT PROHIBITED

12.1 The rights of the parties under this agreement shall not be transferred, assigned or sold without the prior written consent of the other party to this agreement.

13. NOT A PARTNERSHIP

13.1 The parties expressly acknowledge and agree that it is not the intention of this agreement to constitute a partnership, and no partnership shall be deemed to be constituted by any of the provisions hereof.

13.2 The parties expressly acknowledge and agree that neither party shall be liable for the debts or obligations howsoever arising of the other, without the written consent of that party.

14. CONSENT OR WAIVER

14.1 No consent or waiver, express or implied, by either joint venturer to or of any breach or default by the other in the performance by the other of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such joint venturer hereunder. Failure on the part of either joint venturer to complain of any act or failure to act of the other joint venturer irrespective of how long such failure continues shall not constitute waiver by such joint venturer of his rights hereunder.

15. SASKATCHEWAN LAW TO APPLY

15.1 The contents of this agreement shall for all purposes be construed according to the laws of the Province of Saskatchewan and any cause of action arising thereunder shall be entered and tried in the Judicial Centre serving the area of Saskatchewan in which the said land is located.

16. ARBITRATION

16.1 The parties may by mutual agreement submit any disagreement which may arise with respect to the terms and conditions of this agreement to arbitration in accordance with *The Arbitration Act* of Saskatchewan the Owner and Operator may choose any arbitrator by mutual agreement who shall make a decision within three (3) weeks from the date of his appointment.

17. NOTICE

17.1 All notices, demands or requests provided for or permitted to be given pursuant to this agreement must be in writing and may be served by forwarding to the other by certified mail addressed as follows:

Owner: **SHELDON GUCKERT and BELINDA GUCKERT**
Box 1218
Maple Creek SK S0N 1N0

Operator: **SHANE SCOTT and MICHELLE SCOTT**
Box 2080
Maple Creek SK S0N 1N0

18. COMPLETE AGREEMENT

18.1 This agreement contains the entire agreement between the parties relative to the formation of a joint venture no variations, modifications or changes herein or hereof shall be binding upon any party hereto unless set forth in a document signed by both parties. No verbal agreement shall be held to vary the provisions hereof.

19. CAPTIONS, HEADINGS AND NAMES

19.1 The marginal headings used throughout this agreement and the names by which the parties are called are for the convenience of the parties hereto and are not intended to construe the intent or meaning of this agreement in any part thereof or to modify, amplify or aid in the interpretation or the meaning of the provisions of this agreement.

20. TERMINATION OF THE JOINT VENTURE

20.1.1 In the event of the termination of the Joint Venture:

- a) Fixed Assets contributed by the respective parties as set forth in Schedules "A" and "B" shall return to the respective party contributing the same for their own use and enjoyment absolutely.
- b) The Operator acknowledges and undertakes to return to the Owner 217 bred cows, all of an age less than eight (8) years old upon termination of this Agreement.

21. ACCOUNTANT

21.1 If an accounting is required, it is agreed that the accounting firm of _____, _____, Saskatchewan, shall be the accountant for the Joint Venture until otherwise agreed upon by the parties.

21.2 The accountant, as appointed by the Joint Venturers, shall prepare annual reports of the state of the business and affairs of the Joint Venture, including a balance sheet, a statement of the Operating Account of the Joint Venture, a statement of revenue and expenses (if necessary) and any other factors of significance to the Joint Venturers.

22. NON-WAIVER

22.1 No consent or waiver, express or implied, by any Joint Venturer to or of any breach or default by the other in the performance by the other of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such Joint Venturer hereunder. Failure on the part of either Joint Venturer to complain of any act or failure to act of the other Joint Venturer or to any of the other Joint Venturer in default, irrespective of how long such failure continues, shall not constitute a waiver by such Joint Venturer of its rights hereunder.

23. NON-ENFORCEABLE PROVISIONS SEVERABLE

23.1 If any provision of this agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

24. FURTHER DOCUMENTS

24.1 The parties hereto and each of them hereby agree to do such things and to execute such further documents, agreements and assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this agreement in accordance with its true intent.

25. TIME OF ESSENCE

25.1 Time shall be of the essence of this agreement.

26. SUCCESSORS AND ASSIGNS

26.1 The terms "Owner" and "Operator" shall include their heirs, executors, administrators, successors and permitted assigns in the singular or plural number and feminine or masculine gender when the context or the parties so require.

IN WITNESS WHEREOF the Owner have hereunto set their hands and seals the 1st day of January, 2009.


Owner - SHELDON GUCKERT


Owner - BELINDA GUCKERT

IN WITNESS WHEREOF the Operator have hereunto set their hands and seals the 1st day of January, 2009.

 
Operator - SHANE SCOTT


Operator - MICHELLE SCOTT

THIS IS SCHEDULE "A" TO A JOINT VENTURE AGREEMENT DATED THE 1ST DAY OF JANUARY, 2009 BETWEEN SHELDON GUCKERT AND BELINDA GUCKERT, AS OWNER AND SHANE SCOTT AND MICHELLE SCOTT, AS OPERATOR

SCHEDULE "A"

FIXED ASSETS CONTRIBUTED BY OWNER

A. LAND

Land contributed to the Joint Venture by GUCKERT:

**Land Owned By Sheldon John Guckert And Belinda Margaret Guckert
Located In R.M. of Gull Lake No. 139:**

SW 05-13-21 W3M
LSD 10-06-13-21 W3M
LSD 16-06-13-21 W3M
LSD 15-06-13-21 W3M
LSD 09-06-13-21 W3M
Block A, Plan 101706555

**Land Owned By Sheldon John Guckert And Belinda Margaret Guckert
Located In R.M. of Carmichael No. 109:**

NE 08-10-21 W3M
NW 08-10-21 W3M
NW 09-10-21 W3M
SW 15-10-21 W3M
NW 10-10-21 W3M
SE 22-10-21 W3M
NW 22-10-21 W3M
SW 22-10-21 W3M
NW 27-10-21 W3M
NW 28-10-21 W3M

**Land Owned By Belinda Margaret Guckert
Located In R.M. of Piapot No. 110:**

SE 02-09-24 W3M
SW 02-09-24 W3M
NW 02-09-24 W3M
NE 02-09-24 W3M Extension 1
NE 02-09-24 W3M Extension 2

B. LIVESTOCK

217 head of mature bred cows

THIS IS SCHEDULE "B" TO A JOINT VENTURE AGREEMENT DATED THE 1ST DAY OF JANUARY, 2009 BETWEEN SHELDON GUCKERT AND BELINDA GUCKERT, AS OWNER AND SHANE SCOTT AND MICHELLE SCOTT, AS OPERATOR

SCHEDULE "B"

FIXED ASSETS CONTRIBUTED BY OPERATOR

Fixed Assets contributed to the Joint Venture by SCOTT:

All machinery, equipment and livestock facilities to carry on the ranching operation and to properly care for, feed and maintain in good health, the Livestock.

All bulls to service the mature Livestock

THIS IS SCHEDULE "C" TO A JOINT VENTURE AGREEMENT DATED THE 1ST DAY OF JANUARY, 2009 BETWEEN SHELDON GUCKERT AND BELINDA GUCKERT, AS OWNER AND SHANE SCOTT AND MICHELLE SCOTT, AS OPERATOR

SCHEDULE "C"

OPERATING EXPENSES OF THE JOINT VENTURE

The parties hereto contemplate and determine which party is responsible for any costs and expenses in carrying out the Joint Venture to be shared by them and/or paid by them respectively as set forth in this Schedule, namely:

- a) **The Owner shall pay the following expenses in connection with the operation of the Joint Venture, namely:**
 - I. All land taxes, municipal assessments payable in connection with the land set forth in Schedule "A" to this Agreement;
 - II. All premiums to maintain and effect insurance on the Livestock and then the Owner shall be entitled to all benefits;
 - III. Material costs for fence repairs and water system;
 - IV. All costs for new watering facilities (wells, dugouts).
- b) **The Joint Ventures shall pay the following expenses in proportion to their Participating Interests, in connection with the operation of the Joint Venture, namely:**
 - I. All Insurance Premiums which the Joint Venturers agree to purchase in the name of the Joint Venture to properly insure the offspring;
- c) **Save and except as above stated, the Operator shall pay all remaining expenses in connection with the operation of the Joint Venture, including without limitation, namely:**
 - I. All operating costs in order to carry out and to effectively fulfill and perform the ranching operations of the Joint Venture including:
 - a) all fuel, oil, lubricants, for the equipment and machinery, repairs and maintenance;
 - b) all veterinary expenses;
 - c) all costs for feed;
 - d) all costs associated with cultivation and reseeding tame hay on the Land;
 - e) all costs to maintain the fences on the Lands in good condition and repair;
 - f) all costs to carry on ranching operations in a husbandry manner and harvesting the hay;
 - g) all labour costs;
 - h) hauling the cull livestock and offspring to market.

DUPLICATE
ORIGINAL

Q.B. No. 1331 of 2012

CANADA)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

BEFORE THE HONOURABLE)

MADAM JUSTICE A.R. ROTHERY)

IN CHAMBERS)

✓ TUESDAY ✓ DB
ON ~~THURSDAY~~,
11th
✓ THE 6TH DAY OF ✓ DB
DECEMBER, 2012

AMENDED ORDER

UPON THE APPLICATION OF PricewaterhouseCoopers Inc., court-appointed Interim Receiver (the "**Receiver**") of the properties, assets and undertakings of Shane Scott and Michelle Scott (collectively, the "**Debtors**"), **AND UPON HEARING** Mike Russell and Jeffrey M. Lee, counsel to the Receiver, David Gerecke, counsel to Bank of Montreal, and counsel for other interested parties; **AND UPON HAVING READ** the Interim Receivership Order of the Honourable Madam Justice A.R. Rothery issued in these proceedings and dated October 9, 2012 (the "**Interim Receivership Order**"); the First Report of the Interim Receiver dated November 6, 2012; the Order of the Honourable Madam Justice A.R. Rothery issued in these proceedings and dated November 8, 2012; the Second Report of the Interim Receiver dated November 20, 2012; the Supplementary Second Report of the Interim Receiver dated November 21, 2012; the Order of the Honourable Madam Justice A.R. Rothery issued in these proceedings and dated November 22, 2012; the Notice of Motion of the Receiver dated November 30, 2012 (the

“Receiver’s Notice of Motion”); the Third Report of the Interim Receiver dated November 30, 2012; and a proposed form of Claims Process Order, all filed;

IT IS HEREBY ORDERED, ADJUDGED AND DECLARED THAT:

1. The time for service of the Receiver’s Notice of Motion and the other materials filed in support thereof (collectively, the **“Application Materials”**) shall be and is hereby abridged, such that service of the Application Materials on Friday, November 30, 2012, shall be deemed to constitute good, valid and timely service thereof in regard to the application scheduled for hearing at 2:00 p.m. on Thursday, December 6, 2012.
2. The Receiver is hereby authorized to determine any and all claims or potential claims of claimants to ownership of any of the livestock (the **“Livestock”**) in the possession and/or control of the Debtors from and after the date of the Interim Receivership Order (namely, October 9, 2012) wherever, whenever and howsoever arising, by means of the Court-supervised claims process (the **“Claims Process”**) prescribed in this Order.
3. The Interim Receivership Order shall be and is hereby extended to and including February 13, 2013, in order to provide the Receiver with adequate time within which to determine the ownership of the Livestock in the possession and/or control of the Debtors in accordance with the Claims Process and to prepare a conclusive report for this Honourable Court containing the findings and recommendations of the Receiver.
4. Future service upon Shane Scott and Michelle Scott may be effected by any of the following means, namely: by any email address provided by the Debtors; by facsimile to (306) 558-4620; or by any other means reasonably likely to bring the document(s) to the attention of Shane Scott and Michelle Scott.
5. A further application by the Receiver is scheduled to be heard on Wednesday, February 13, 2013, at 9:00 a.m. at the Judicial Centre of Saskatoon.

Definition of Terms

6. Words and phrases contained in this Order which begin with capital letters and which are not expressly defined herein shall have the respective meanings ascribed thereto in the Interim Receivership Order.
7. For the purposes of this Order, "Claimant" shall not include the claim of a Person claiming a contractual security interest in the Livestock and shall not include a Person who claims to be owed a debt or obligation by the Debtors but who does not claim ownership of Livestock in the possession of the Debtors.

Claims Process

8. On or before December 14, 2012, the Receiver shall cause to be sent to each of the claimants of the Debtors (the "**Claimants**") who are known to the Receiver to have potential claims to ownership of the Livestock in the possession and/or control of the Debtors from and after October 9, 2012, a notice informing the Claimants of their right to file a notice of such claim with the Receiver pursuant to this Order (a "**Notice to Claimant**").
9. On or before December 14~~21~~, 2012, the Receiver shall cause to be published in *The Western Producer*, *The Maple Creek News-Times* and *The Swift Current Prairie Post* newspapers an advertisement in a format which, in the professional judgment of the Receiver, will adequately bring notice to the attention of persons reading such newspapers that anyone asserting a claim to ownership of the Livestock must file a Proof of Claim to that property with the Receiver on or before 5:00 p.m. Central Standard Time on January 7, 2013.
10. The Receiver shall also send a Notice to Claimant to any other Person whom the Receiver has reason to believe has a claim or possible claim (whether absolute or contingent, direct or indirect) to ownership of the Livestock.

11. In each case where a Notice to Claimant is delivered to a Claimant by the Receiver, such Notice to Claimant shall be accompanied by a document entitled "Proof of Claim" (a **"Proof of Claim"**).
12. Each Notice to Claimant and accompanying Proof of Claim shall be delivered in accordance with the procedures prescribed in paragraphs 19 and 20 hereof respecting delivery. The manner and the timing of the deemed receipt of the Notice to Claimant shall be as set forth in paragraph 19 of this Order.
13. A Claimant wishing to assert a claim to the Livestock must, by no later than 5:00 p.m. Central Standard Time on January 7, 2013, complete and cause to be delivered to the Receiver (with a copy delivered concurrently to counsel for the Receiver) a completed Proof of Claim in which the Claimant advances a claim of ownership to the Livestock, which Proof of Claim shall be supported by appropriate documentation supplied by or on behalf of such Claimant. Each such Proof of Claim shall be delivered in accordance with the procedures set forth in paragraphs 19 and 20 of this Order.
14. Where a Proof of Claim is sent to the Receiver by a Claimant in accordance with the procedures prescribed in paragraph 18 hereof, and within the time limits specified above in paragraphs 9 and 13 hereof, the Receiver shall review such Proof of Claim and, on or before January 18, 2013, shall advise such Claimant as to the determination by the Receiver of the validity of such Proof of Claim by delivering to the Claimant (with a copy to be delivered concurrently to counsel on the Service List attached hereto) a notice in writing (a **"Proof of Claim Response"**) indicating whether or not the claim of the Claimant set out in the Proof of Claim is accepted or denied by the Receiver. The Proof of Claim Response shall include a complete copy of the subject Proof of Claim, together with all documentation supplied by a Claimant in support thereof, and shall be delivered in accordance with the procedures prescribed in paragraph 19 hereof respecting delivery and the manner and timing of the deemed receipt of the Proof of Claim Response by the Claimant shall be as set forth in paragraph 19 of this Order.
15. If a Claimant or a party represented by counsel on the Service List, having received from the Receiver a Proof of Claim Response, wishes to challenge or contest a Proof of Claim

Response, then that party must complete and cause to be served upon counsel to the Receiver, the Claimant (if the allowance of that Claimant's claim is being challenged or contested) and each legal counsel on the Service List, a Notice of Motion returnable before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench for Saskatchewan at the Court House in Saskatoon, 520 Spadina Crescent East, on February 4, 2013, at 10:00 a.m. in support of an application by such party for an Order of the Court determining the validity of the Proof of Claim which is the subject of the Proof of Claim Response. The Notice of Motion shall be served on or before February 1, 2013, in accordance with the procedures prescribed in paragraphs 19 or 20 hereof (as the case may be).

16. Unless otherwise ordered by the Court, a party who, having been deemed to have received a Proof of Claim Response in accordance with the procedures set out in paragraph 14 hereof, fails, within the time limits specified above in paragraph 15 hereof, to serve a Notice of Motion as referred to in paragraph 15 hereof, shall conclusively be deemed to have accepted the decision set out in such Proof of Claim Response.
17. The Notice to Claimant, the Proof of Claim and the Proof of Claim Response to be sent pursuant to this Order shall be substantially in the forms attached and marked as Schedules "A", "B" and "C" to this Order, respectively.
18. Unless otherwise ordered by the Court, any and all claims or potential claims of Claimants to ownership of the Livestock, wherever, whenever and howsoever arising, which are not proven in accordance with the procedures and within the time limits set out above in this Order shall conclusively and irrevocably be deemed to be extinguished and forever barred and such claims may not thereafter be advanced against the Receiver and/or the Livestock.

Delivery of Notice and Deemed Receipt

19. Any documents to be sent, delivered or served by the Receiver pursuant to this Order shall be delivered as follows:

- (a) in the case of a Claimant who has filed Demand for Notice in these proceedings pursuant to the terms of the Interim Receivership Order, by delivering such document(s) to the attention of such Claimant by facsimile or by email as directed in such Demand for Notice, in which case such document(s) and all accompanying materials sent therewith shall be deemed to have been received by such Claimant one day after the date on which such items were sent by facsimile or by email;
- (b) in the case of any Claimant who has delivered a Proof of Claim, by delivering such document(s) to the attention of such Claimant by facsimile or by email as directed in such Proof of Claim, in which case such document(s) and all accompanying materials sent therewith shall be deemed to have been received by such Claimant one day after the date on which such items were sent by facsimile or by email;
- (c) in any other case, by one of the following methods, namely:
 - (i) by sending such document(s) by registered mail in an envelope addressed to such Claimant at the last known address for such Claimant shown in the Debtors' records, in which case the document(s) and all accompanying materials sent therewith shall be deemed to have been received by such Claimant three (3) days after the date on which such items were sent by registered mail;
 - (ii) by sending such document(s) by prepaid courier delivery service in an envelope addressed to such Claimant at the last known address for such Claimant shown in the Debtors' records, in which case such document(s) and all accompanying materials sent therewith shall be deemed to have been received by such Claimant three days after the date on which such items were sent by prepaid courier delivery service;
 - (iii) by sending such document(s) by facsimile to such Claimant at the last known facsimile number for such Claimant shown in the Debtors'

Records, in which case such document(s) and all accompanying materials sent therewith shall be deemed to have been received by such Claimant one day after the date on which such items were sent by facsimile transmission;

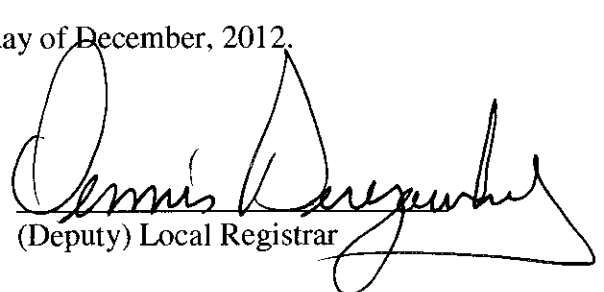
20. Any documents (including, without limitation, a Proof of Claim and a Notice of Motion) to be sent to or served on the Receiver or on legal counsel identified on the Service List pursuant to terms of this Order shall be delivered or served as follows:
- (a) to the Receiver by way of facsimile to the Receiver at (403) 781-1825, clearly marked to the attention of Ms. Susan Shabluk;
 - (b) to the Receiver's legal counsel by way of facsimile to Receiver's legal counsel at (306) 975-7145, clearly marked to the attention of Jeffrey M. Lee and Mike Russell;
 - (c) to each legal counsel identified on the Service List attached hereto by facsimile or by way of email to be transmitted as described in the Service List posted on the website of the Receiver at www.pwc.com/car-scott.

Publication of Documents

21. The Receiver shall cause a copy of a Proof of Claim and a Proof of Claim Response to be posted at www.pwc.com/car-scott.
22. Forthwith upon issuance of this Order, the Receiver shall cause copies of this Order to be served upon all parties on the Service List and the Receiver shall cause this Order to be posted on its website at www.pwc.com/car-scott.

ISSUED at Saskatoon, Saskatchewan, this 12 day of December, 2012.

(seal)


(Deputy) Local Registrar

| This Amended Order was delivered by:

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

and the address for service is same as above.

Lawyer in charge of file: **JEFFREY M. LEE and MIKE RUSSELL**

Telephone number: (306) 975-7100

Fax number: (306) 975-7145

Schedule "A"
NOTICE TO CLAIMANT

TO: [CLAIMANT]

By Court Order dated October 9, 2012, the Court of Queen's Bench for Saskatchewan (the "**Court**") appointed PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertaking of Shane Scott and Michelle Scott (collectively, the "**Debtors**"). On December 6, 2012, the Court issued an order establishing a process by which the claims of parties who assert that the Debtors are in possession and/or control of Livestock owned by such parties (the "**Claimants**") are to be determined (the "**Claims Process Order**"). A copy of the Claims Process Order may be viewed at: www.pwc.com/car-scott. Please be advised that, pursuant to paragraph 7 of the Claims Process Order, "**Claimant**" does not include a Person claiming a contractual security interest in the Livestock or a Person claiming to be owed a debt or obligation by the Debtors but who does not claim ownership of Livestock in the possession of the Debtors.

Pursuant to the Claims Process Order, the Interim Receiver is to send a notice to each known Claimant (the "**Notice to Claimant**"). The Claims Process Order provides that a Claimant must complete and return to the Interim Receiver by facsimile transmission to (403) 781-1825, clearly marked to the attention of Ms. Susan Shabluk (with a copy to be sent to legal counsel by facsimile at (306) 975-7145, clearly marked to the attention of Jeffrey M. Lee and Mike Russell), a completed Proof of Claim supported by appropriate documentation. A blank Proof of Claim form is enclosed. The Proof of Claim must be received by the Interim Receiver and its counsel by **no later than 5:00 pm Central Standard Time on January 7, 2013**. If no Proof of Claim is received by the Interim Receiver by that date, the Claimant shall, unless otherwise ordered by the Court, be forever barred from asserting a claim to Livestock in possession and/or control of the Debtors.

Where a Proof of Claim is sent to the Interim Receiver, the Interim Receiver will, on or before January 18, 2013, provide to the Claimant a notice in writing by facsimile or by email (as directed by the Claimant in the Proof of Claim) indicating whether the claim set out in the Proof of Claim is accepted or denied by the Interim Receiver (the "**Proof of Claim Response**").

The Claims Process Order further provides that, where a Claimant or other interested party disagrees with the decision of the Interim Receiver as set out in the Proof of Claim Response, the Claimant or other interested party must, on or before February 1, 2013, serve on the Interim Receiver and its legal counsel, and on all legal counsel identified in the Service List, a Notice of Motion returnable in the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery.

If you have any questions regarding the claims process or the attached materials, please contact Ms. Susan Shabluk by telephone at (403) 509-7316.

Dated the _____ day of December, 2012, at Saskatoon, Saskatchewan.

Schedule "B"

Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM

All notices or correspondence regarding this claim are to be forwarded to the following address:

I, _____ of the _____ of _____, in the Province of _____ do hereby certify:

1. That I am the claimant, (or That I am) _____ (position or title) of _____ (name of claimant).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on October 9, 2012, an order was made appointing PricewaterhouseCoopers Inc. as interim receiver of substantially all of the property, assets and undertakings of Shane Scott and Michelle Scott (the "Debtors").

4. That, on October 9, 2012, the livestock enumerated in the document(s) attached and marked as Appendix "A" to this Proof of Claim was in the possession and/or control of the Debtors, and still remains in the possession and/or control of the Debtors or the Interim Receiver.

5. That the claimant hereby claims that livestock, or interest in it, by virtue of the document(s) attached and marked as Appendix "A" to this Proof of Claim, namely:

(set out the particulars of all documents serving as proof of the claim, giving (i) the grounds on which the claim is based and (ii) sufficient particulars to enable the property to be identified; if the particulars do not appear on the face of the documents, attach an additional statement marked "B" setting them forth)

6. That the claimant is entitled to demand from the Interim Receiver the return of the livestock enumerated in these document(s).

Sworn before me at the _____ of _____)
_____, in the Province of _____)
Saskatchewan, this _____ day of _____)
_____, 201____.)
_____)

A Commissioner for Oaths in and for the Province of _____.

Being a Solicitor - OR -
My Commission Expires:

(Signature of Claimant)

Schedule "C"

Q.B. No. 1331 of 2012

C A N A D A)
PROVINCE OF SASKATCHEWAN)

IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

BANK OF MONTREAL

PLAINTIFF

- and -

SHANE SCOTT and MICHELLE SCOTT

DEFENDANTS
(RESPONDENTS)

PROOF OF CLAIM RESPONSE

TO: [CLAIMANT]
AND TO: ALL COUNSEL ON THE ENCLOSED SERVICE LIST

Take notice that your Proof of Claim filed with PricewaterhouseCoopers Inc., interim receiver ("**Receiver**") of substantially all of the property, assets and undertaking of the Debtors, has been

___ allowed
___ disallowed for the following reasons:
[insert reasons].

If you object to the decision set out in this Proof of Claim Response you must, on or before February 1, 2013, file with the Court of Queen's Bench at the Court House in Saskatoon, 520 Spadina Crescent East, and serve on:

- the Receiver and its legal counsel
- all legal counsel on the Service List
- the Claimant, if you disagree with the allowance of the Proof of Claim

a Notice of Motion returnable on Friday, February 4, 2013, at 10:00 a.m. before the Honourable Madam Justice A.R. Rothery of the Court of Queen's Bench at the Court House, Judicial Centre of Saskatoon, 520 Spadina Crescent East, and an Affidavit in support of your Notice of Motion to appeal the determination of the Proof of Claim.

If you fail to file a Notice of Motion and Affidavit within the time period stated herein you are deemed to have conclusively accepted the decision set out in the Proof of Claim Response.

We refer you to the December 6, 2012, Claims Process Order (a copy of which is enclosed) which sets out the process to appeal the decision set out in this Proof of Claim Response, and the process for service and delivery of documents.

Dated at Saskatoon, Saskatchewan the _____ day of _____, 2013.