

Date: _____, 20__

Registered Mail

To: _____
(insert name and address of Bank, Treasury
Branch, Credit Union or other Creditor)

Dear Sir/Madam:

Re: Alberta Feeder Association Priority Agreement - _____
(Insert name and address of Member) (the "Member")

(the "Feeder Association") is a feeder association which operates pursuant to the provisions of the *Feeder Associations Guarantee Act* (Alberta) and the Regulations thereunder.

The above Member is a member of the Feeder Association.

The Feeder Association and the Member have entered into an agreement that provides for livestock purchased by the Feeder Association to be supplied to the Member ("Association Livestock"), and for Equity Loans to be advanced to the Member, all on the security of the Association Livestock.

The Feeder Association holds or will hold a perfected security interest in Association Livestock and the other Collateral described below.

We understand you claim security against the Member's livestock.

The Feeder Association does not intend to claim priority over any of the Member's livestock which are not Association Livestock. The Feeder Association does wish to ensure that its interest and security in the Association Livestock will not conflict with your security.

We enclose a Feeder Association Priority Agreement in duplicate. Our preference would be that priorities be governed on the terms set forth in this Agreement. If you are prepared to sign the Agreement, please do so and provide one copy to our office.

We also enclose a Notice of Purchase-Money Security Interest in inventory. This Notice takes effect immediately. If you sign and return the enclosed Priority Agreement within thirty (30) days of the date of this letter, this Notice will cease to have effect as of the date we receive the signed Priority Agreement, and our respective rights and obligations will be governed by the Priority Agreement.

Yours truly,

Per: _____
Signature,

Printed name and title of FA representative