

ALBERTA BREEDER FINANCE INC. CUSTOM CARE AGREEMENT

The undersigned livestock producer (the “Producer”), the undersigned livestock feed and care provider (the “Feeder”) and Alberta Breeder Finance Inc. (“Breeder Finance”) hereby represent, warrant and agree for value, as follows:

1. Description of Livestock: The “Livestock” referred to in this Agreement are:
- (a)

The Livestock described in the attached documents *[see completion instructions below*]* or if no documents are attached, as follows:

Number

Description

Brand and any other identifier

Date delivered

[indicate whether the livestock are heifer calves, heifers, cows under 5 years of age, cows over 5 years of age, or cow calf pairs. Also indicate whether the livestock are bred.]

and

- (b)
- All offspring of the Livestock described in subparagraph (a) above, whether born at the date of delivery, or thereafter.

It is acknowledged that the above Livestock are all to be branded with Breeder Finance’s brand, being shelter over triangle at any location.

2. Producer Responsible for Feed Costs: The Producer and the Feeder acknowledge and agree that the Producer shall be solely responsible for all costs and expenses of every nature and kind with respect to the Livestock and the feed and care provided by the Feeder, and that Breeder Finance has no liability whatsoever to the Feeder for these costs and expenses.
3. Limitation Lien Rights: The Feeder, the Producer and Breeder Finance agree that the Feeder’s lien rights including the right to detain and sell the Livestock under the *Animal Keepers Act*, Statutes of Alberta 2005, c. A-40.5, as amended from time to time, *The Animal Products Act*, Revised Statutes of Saskatchewan, 1978 (supp), c. A-20.2 as amended from time to time and the *Livestock Lien Act*, Revised Statutes of British Columbia, 1996, c. 272 (collectively the “Acts”), shall be governed by the following provisions:
- (a)

The Feeder shall invoice the Producer at least once a month for all costs and expenses due to the Feeder for feeding and caring for the Livestock, and these invoices shall be immediately due and payable;

(b)

The Feeder shall notify Breeder Finance in writing by fax, e-mail or mail within 7 days following the date any such invoice is not paid by the Producer when due. If the Feeder fails to do so without a reasonable excuse, the Feeder’s priority and lien rights as against Breeder Finance shall be waived in full notwithstanding paragraph 3(c) below;

(c)

The Feeder agrees that the Feeder’s priority, lien rights and security over Breeder Finance’s interest and security in the Livestock and the sale proceeds thereof shall be limited to the Feeder’s costs and expenses for feeding the Livestock for forty five (45) days; and that the Feeder’s priority and lien rights as against Breeder Finance are waived, and that Breeder Finance’s interest and security in the Livestock and the sale proceeds thereof has priority over the Feeder’s lien rights and security therein with respect to all costs and expenses due to the Feeder for feeding and caring for the Livestock after the said 45 day period. This waiver shall not affect the Feeder’s other rights against the Producer;

(d)

The Producer agrees that any failure to pay a Feeder invoice shall constitute a breach of the Producer’s agreement with Breeder Finance, and that this breach shall entitle Breeder Finance to seize, remove and sell the Livestock;

(e)

In the event the Producer fails to pay an invoice, the Feeder agrees to cooperate with Breeder Finance and to allow Breeder Finance to seize, remove and sell the Livestock notwithstanding the Feeder’s lien and other rights under the Acts, provided that Breeder Finance shall allow the Feeder’s costs and expenses for feeding the Livestock for the first forty five (45) days that the Producer was in default to be paid from the sale proceeds for the Livestock in priority to the amount due to Breeder Finance.
4. Feeder’s Right to Claim Sale Proceeds from Producer’s Deposit: The Producer agrees that in addition to Breeder Finance’s right to allow payment of the amount set forth in paragraph 3(e) above, Breeder Finance shall be entitled to pay any sale proceeds (which would otherwise be paid to the Producer) to the Feeder with respect to the Feeder’s outstanding invoices for feeding and caring for the Livestock, provided that these invoices have been approved in writing by the Producer. Notwithstanding the Breeder Finance Program Agreement (the “Program Agreement”) or any other agreement between the Producer and Breeder Finance, if the Producer fails or refuses to approve payment of these invoices, Breeder Finance shall be entitled to hold the amount claimed by the Feeder in trust, and Breeder Finance shall not release the Producer’s Deposit referred to in the Program Agreement for a period of forty five (45) days to allow any dispute between the Producer and the Feeder to be resolved, and to permit the Feeder to take such proceedings as it may think fit with respect to its claim. Unless otherwise directed by a Court of competent jurisdiction, the sale proceeds shall be released by Breeder Finance to the Producer after 45 days if the dispute is not resolved.
5. General Provisions: The Feeder agrees:

- (a) To properly care for and feed the Livestock in accordance with generally accepted Livestock feeding, care and maintenance practices for breeding and bred livestock, and the offspring thereof;
- (b) To immediately brand the Livestock with Breeder Finance's brand at the Producer's expense when the Livestock are delivered to the Feeder if the Livestock are not so branded when delivered to the Feeder, and to further identify the Livestock by ear tag or in such other manner as Breeder Finance may require, to distinguish them from other livestock;
- (c) To allow and ensure that the Producer, authorized representatives of Breeder Finance, and Breeder Finance's Lender have access to all premises at which the Livestock are located; access to all records pertaining to the Livestock; and the right to inspect both the Livestock and the records, on request, between 8:00 in the forenoon and 5:00 in the afternoon;
- (d) To deliver to Breeder Finance and the Producer such information concerning the Livestock as Breeder Finance may request from time to time, including information with respect to the number, the whereabouts and the health of the Livestock and copies of all agreements between the Producer and the Feeder with respect to the Livestock;
- (e) To inform Breeder Finance by fax, e-mail or mail with respect to death losses or serious health problems with the Livestock, as soon as they occur;
- (f) That the Feeder's rights under the Act have been partially waived as provided in this Agreement;
- (g) This Agreement may be terminated by either the Feeder, the Producer, or Breeder Finance by providing written notice of termination of the Agreement to all other parties to this Agreement, provided that:
 - (i) the termination shall not, in any event, apply to or affect the rights or obligations of any party hereto with respect to any Livestock delivered to the Feeder before the effective date of the notice of termination, and
 - (ii) the effective date of the notice of termination shall be the date which is 10 days after the date that the written notice of termination is actually received by the other parties hereto by delivery, facsimile transmission or e-mail at the addresses, facsimile numbers or e-mail addresses referred to below, or at such new addresses, facsimile numbers or e-mail addresses as may be hereafter provided by written notice to all other parties.
- (h) This Agreement shall be interpreted in accordance with the laws of the Province of Alberta, subject only to any applicable laws of the Province in which the Livestock and their Offspring are situated. The Feeder hereby irrevocably submits and attorns to the jurisdiction of the Courts of the Province of Alberta;
- (i) This Agreement shall enure to the benefit of and be binding upon the personal representatives, administrators and successors of the Producer and the administrators, successors and assigns of Breeder Finance and the Feeder.

IN WITNESS WHEREOF Breeder Finance, the Producer and the Feeder have signed this Agreement effective the ____ day of _____, 20__ at _____, in the Province of _____.

ALBERTA BREEDER FINANCE INC.

(print complete name of Feeder)

Per: _____

Signature, printed name and title of
authorized representative

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

Per: _____

Signature, printed name and title of
authorized representative of Feeder

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

PRODUCER

Print complete corporate, partnership or joint venture
name, if Producer is a corporation, partnership or
joint venturer

Per: _____

Signature and printed name of Producer or
Producer's authorized representative

Per: _____

Signature and printed name of Producer or
Producer's authorized representative

PRODUCER

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

[*Completion Instructions: Attach copy of signed Livestock Supply Form, invoice, manifests, transportation permits or similar forms with respect to the Livestock, if the Livestock are not fully described in paragraph 1. Ensure all contact information and names are complete and accurate.]