



ALBERTA BREEDER FINANCE INC.  
PO Box 4638, Barrhead, AB. T7N 1A5

Date: \_\_\_\_\_, 20\_\_\_\_

**Registered Mail**

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

Dear Sir/Madam:

Re: Alberta Breeder Finance Inc. ("Breeder Finance") Priority Agreement -  
\_\_\_\_\_  
(the "Livestock Producer") *(Insert name and address of Livestock Producer)*

Breeder Finance and the Livestock Producer have entered into an agreement that provides for livestock that have been purchased by Breeder Finance and supplied by Breeder Finance to the Livestock Producer to be cared for and managed as breeding livestock. Breeder Finance is, and will continue to be the owner of all of these livestock and their offspring. Both the livestock and their offspring are to be branded with Breeder Finance's registered brand, which is shelter over triangle, at any location. Breeder Finance either holds, or will hold, a perfected security interest in:

- (a) Livestock: All present and after-acquired Livestock supplied by Breeder Finance to the Producer, from time to time, including Livestock branded with Breeder Livestock's registered brand, being shelter over triangle at any location ("Livestock") and Livestock tagged with an ear tag approved by Alberta Breeder Finance Inc. (the "Livestock"); and
- (b) Offspring: All present and after-acquired offspring of the Livestock, whether supplied with the Livestock, born or unborn, or otherwise, including all offspring branded with Breeder Finance's registered brand, being shelter over triangle at any location (the "Offspring") and Offspring tagged with an ear tag approved by Alberta Breeder Finance Inc. (the "Offspring"); and
- (c) Proceeds and Security Deposit: All proceeds including accounts receivable in whatever form, from any sale, use, transfer or other disposition of the Livestock or Offspring ("Proceeds"), and all deposits held by or on behalf of Breeder Finance as security for the performance of the obligations of the Producer to Breeder Finance (the "Deposits").

(collectively referred to herein as "Breeder Finance Collateral").

We understand you claim security against the Livestock Producer's livestock.

Breeder Finance does not intend to claim priority over any of the Livestock Producer's livestock which have not been supplied by Breeder Finance, or which are not offspring of their livestock (as defined above).

Breeder Finance does wish to ensure that its interest and security in the Breeder Finance Collateral will not conflict with your security.

We enclose an Alberta Breeder Finance 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 livestock. 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,

ALBERTA BREEDER FINANCE INC.

Per: \_\_\_\_\_  
Signature, printed name and title of  
authorized representative