

**IN THE COURT OF COMMON PLEAS
FULTON COUNTY, OHIO**

THE FARMERS & MERCHANTS
STATE BANK,

Plaintiff,

-vs-

ARCHBOLD ELEVATOR, INC., et al.,

Defendants.

) Case No. 11CV000128

) Judge Barber

) **NOTICE TO BIDDERS**

) Gerald R. Kowalski (0022323)

) Renisa A. Dorner (0040192)

) COOPER & WALINSKI, LPA

) 900 Adams Street

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) dorner@cooperwalinski.com

) Receiver and Counsel

The court-appointed Receiver for Archbold Elevator, Inc., Kainos Operations Ltd., O-Mi-O, Inc. and Henry Pig, Inc. ("Archbold Entities") is giving notice that he is offering for sale and will accept proposals for the purchase of all or part of the Archbold Entities.

Offered Assets:

The Receiver retained the services of Veid & Veid, Certified Public Accountants from Cincinnati, Ohio, to prepare a calculation report for the value of the Archbold Entities ("Report"), which is included with this notice. The Report determined a suggested sale price range for all of the Archbold Entities (the "Consolidated Entities"), and separate sale price ranges for the component enterprises:

Archbold Elevator, Inc. – feed and grain segment

Kainos Operations Ltd. – nursery facility for weaned pigs

Henry Pig, Inc. and O-MI-O, Inc. – sow and farrowing facilities.

Since the Report was completed, the Receiver has entered into two contracts with Indiana Packers Corporation ("IPC"). One contract is entitled **Purchase and Sale Agreement for Weaned Pigs and Feed**. This contract essentially provides that IPC purchase all of the weaned pigs produced from the sows owned by the Archbold Entities and all feed necessary to raise these weaned pigs. In essence, IPC is purchasing all new pigs in the swine operation that is described in the section "Kainos Operations, Ltd." on page 6 of the Veid Report. The existing pig inventory which has not been purchased by IPC may be available for sale with the understanding that certain contracts must be honored. Alternatively, the Receiver may finish the existing feeder pig inventory. The Receiver also entered into a contract entitled **Oracle Pork Production Nursery Agreement** to guarantee IPC's continued use of the nursery operation located at Kainos Operations, Ltd. The agreements with IPC permit purchaser(s) of the remaining Archbold Entities (feed and grain, sow and farrowing and the Kainos nursery) to continue a relationship with IPC through an assignment of these contracts or to terminate that relationship with proper notice. All bidders will need to consider these contracts when making a bid. Copies of the IPC contracts are attached as part of this notice.

As explained in the Report, the Archbold Entities own the sows which are housed at Rolling Meadows, Liberty Center and Leipsic (Fenstermaker) and has contracts with the owners of these facilities. Any potential purchaser(s) of these sows may wish to discuss a continuing relationship with these three entities and copies of any existing agreements will be provided during due diligence. The Archbold Entities also own boars which are mainly cared for at Eastern AI. It is expected that some or all of the boars will be sold to the purchaser(s) of the sows. Any prospective purchaser of the sows wishing to visit the sow units will need to adhere to the biosecurity protocols required by the Receiver. The swine facilities will only be opened for visitations during the week of July 25. For biosecurity reasons, there will be specific days in which specified facilities will allow visitations.

Since the Report was completed, the Archbold Entities have also sold three of the vehicles listed in the Report. These are the 2001 Chevy Silverado, 2002 Chevy Express G1500 and 2004 Chevy Suburban K1500. In addition, while the "pig buses" are owned by Archbold Elevator, certain pig buses will be offered to each of the sow units for transporting weaner pigs.

The Receiver has determined that the separate farm property located at 21886 County Road D, Archbold, Ohio (Parcel No. 15-027476-01.000) will be sold through a separate auction and the residential lots at the corner of State Route 15 and K Road in Williams County (Parcel Nos. 073-080-00-037.000, 073-080-00-038.000, 073-080-00-039.000, 073-080-00-040.000) will be sold separately by a realtor or through an auction.

Bid Procedure:

The Receiver recognizes that potential purchasers may need to perform further due diligence before submitting a bid. The Receiver recognizes that this due diligence may include an inspection of the facilities and review of financial information. The Receiver will determine the appropriateness of due diligence requested by bidders. All prospective purchasers must submit a letter of intent to be received by the Receiver by July 15, 2011. This letter of intent must clearly state which portion (or all) of the Archbold Entities the bidder is interested in purchasing. The Receiver will then schedule sessions for all qualified buyers to perform appropriate due diligence which will occur between July 16 – August 5. Bidders will then be

required to submit a formal written bid to be received by the Receiver by August 30, 2011. Dates may be extended if the Receiver deems such extension is necessary and appropriate, such as for the completion of environmental assessments.

Potential purchasers may submit a joint bid of all or part of Archbold Entities. Each bid must contain proof of adequate financing to complete the transaction. The Receiver shall have the sole discretion to determine what constitutes adequate financing to close the transaction as bid.

A bid deposit in the amount of 1% of the bid shall be paid to the Receiver in the form of a certified or cashier's check at the time the bid is submitted to the Receiver. This deposit will be held in escrow and will be returned to unsuccessful bidders. The Receiver reserves the right to reject any and all bids, to waive any irregularities in any bid and to accept any bid which in his sole opinion is the most favorable in light of the circumstances presented. The Receiver also reserves the right to pursue further negotiations after the formal bid has been submitted and/or seek clarification of the bid being made.

Upon the award of a bid, closing shall occur within 30 days thereafter or as otherwise ordered by the Court. Full payment of the balance due from the successful bidder shall be required at closing. All payments shall be in immediately available funds (certified or cashier's check or via ACH or other electronic funds transfer) payable to the Receiver.

Other than warranties of title for real estate as provided in the title commitments provided by a title company selected by the Receiver, the sale of all or a portion of the Archbold Entities is as is, where is and without any warranty of any kind, including, without limitation, condition, functionality, merchantability, or fitness for any particular or intended purpose. The Receiver makes no representation whatsoever regarding any of the assets offered for sale.

The Receiver, after determining the successful bid or bidder, will file a motion with the court seeking court approval of the sale. The court order approving sale will allow the assets to be sold free and clear of any liens, claims and encumbrances. The Receiver will provide a fiduciary deed for all real estate sold as part of the purchase and will provide other documents of title as appropriate. The Receiver will pay the costs for a guaranteed certificate of title. If the successful bidder fails to close within 30 days or as otherwise ordered by the Court for any reason, the bidder's deposit shall be forfeited as liquidated damages to the Receivership. The Receiver reserves the right to then negotiate with the unsuccessful bidders.

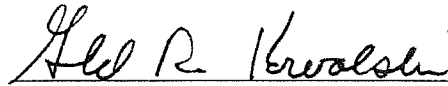
By participating in this bidding process, the bidding parties confirm, acknowledge and agree that the bidding process and the sale of the assets are commercially reasonable.

The letters of intent and bids must be delivered to:

**Gerald R. Kowalski, Receiver
Cooper & Walinski, LPA
900 Adams Street
Toledo, Ohio 43604**

All questions should be directed to Gerald R. Kowalski or Renisa A. Dorner at (419) 241-1200.

Respectfully submitted,



Gerald R. Kowalski, Receiver
Renisa A. Dorner
Receiver and Counsel

CERTIFICATE OF SERVICE

This is to certify that on this 1st day of July, 2011, a copy of the foregoing *Notice to Bidders (without attachments)* was served by email and ordinary United States mail upon:

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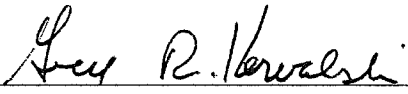
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Toyota Motor Credit Corporation
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Gerald R. Kowalski, Receiver