
**THIS IS EXHIBIT "5" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS _____ DAY OF SEPTEMBER, 2012**



**A NOTARY PUBLIC
in and for the Province of Manitoba**



“HILLRP” Term Sheet for The Puratone Corporation

Amended and Restated on March 22, 2012

This Term Sheet opens with a preamble, followed by fifteen Parts, as follows:

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WHEREAS a Term Sheet dated February 9, 2009 (as amended from time to time, including without limitation by Amending Letters dated July 23, 2009 and August 28, 2009) was heretofore entered into by Bank of Montreal and The Puratone Corporation (the “Original Puratone Term Sheet”);

AND WHEREAS a Commitment to Finance dated December 19, 2008 was heretofore entered into by Bank of Montreal and Niverville Swine Breeders Ltd. (the “Original Niverville Swine Term Sheet”);

AND WHEREAS that certain "HILLRP" Term Sheet dated February 10, 2010 (the "2010 Term Sheet") *inter alia* evidenced and caused the restructuring of the credit facilities evidenced by the Original Puratone Term Sheet and the Original Niverville Swine Term Sheet (the "Original Term Sheets"), including (i) the conversion of Facility #1 under the Original Niverville Swine Term Sheet to form part of the HILLRP Facility (Facility B) under the 2010 Term Sheet and (ii) the conversion of Facilities A and B under the Original Puratone Term Sheet to form part of the HILLRP Facility (Facility B) under the 2010 Term Sheet;

AND WHEREAS the 2010 Term Sheet was replaced by the Amended and Restated "HILLRP" Term Sheet dated March 17, 2011 (the "2011 Term Sheet");

AND WHEREAS this Term Sheet amends, restates and replaces the 2011 Term Sheet;

NOW THEREFORE the Bank herein sets out the terms and conditions for the Credit Facilities described at Parts Two to Five hereof (such Facilities A to D inclusive are herein sometimes collectively referred to as the "Credit Facilities" or the "Facilities"):

The following lists the parties to this Term Sheet:

Lender: BMO Bank of Montreal

Borrower: The Puratone Corporation

Guarantors: Pembina Valley Pigs Ltd., Niverville Swine Breeders Ltd. and Forest Lane Farm Ltd.

PART ONE - DEFINITIONS

"Acceptable Accounts Receivable" means, at the time of any determination thereof, any Accounts Receivable of the Borrower and Guarantors as to which each of the following requirements has been fulfilled to the satisfaction of the Bank:

- (i) the Accounts Receivable is a valid, binding and legally enforceable obligation of the Account Debtor;
- (ii) the applicable Borrower or Guarantor has the full and unqualified rights to, and has assigned and granted a first priority perfected Lien in such Accounts Receivable to the Bank pursuant to the Security and has not made any specific assignment of such Accounts Receivable to or in favour of any other party; and the Security constitutes a perfected first ranking Lien in the Accounts Receivable in the jurisdiction in which the Account Debtor has its principal place of business or in such other jurisdictions as may be required by Applicable Law, subject only to any Lien for taxes, assessments or

governmental charges or levies not at the time due and delinquent or the validity of which is being contested at the time by a Borrower in good faith by proper legal proceedings and provided such proceedings effectively postpone enforcement of any such Lien and the Borrower has made adequate provision therefore in the opinion of the Bank;

- (iii) the Accounts Receivable is not the subject of any holdback or subject to any dispute, setoff, counterclaim or other claim or defence pursuant to which the Account Debtor is denying liability under such Accounts Receivable in whole or in part;
- (iv) the Accounts Receivable is evidenced by an invoice rendered to the Account Debtor (and not by any instruments or chattel paper, as defined in the PPSA) and is a bona fide Accounts Receivable arising from the sale (on an absolute basis and not on a consignment, approval, or sale-and-return basis) of inventory or the rendering of services by a Borrower or Guarantor in the ordinary course of its business, which goods have been shipped or delivered to, or which services have been successfully performed for, the Account Debtor of such Accounts Receivable;
- (v) with respect to such Accounts Receivable, the Account Debtor:
 - (a) is an arm's length customer of a Borrower or Guarantor and is residing in Canada, or is a high quality arm's length customer (as determined by the Bank, in its sole discretion) of a Borrower or Guarantor and is residing in the United States of America;
 - (b) is not a related entity, unless determined to be acceptable by the Bank;
 - (c) has not communicated to the Borrower or any Guarantor an unwillingness or inability to pay such Accounts Receivable at the time due;
 - (d) is not subject to any bankruptcy, receivership, insolvency or other like condition or proceeding; and
- (vi) the Accounts Receivable has not been outstanding for more than 61 days from its invoice date;

together with such other Accounts Receivable as the Bank may approve in writing for inclusion as Acceptable Accounts Receivable, but does not include any Accounts Receivable (i) which arise from the sale of hogs of producers other than the Borrower or Guarantors made by or through the Borrower, or (ii) which the Bank in good faith does not consider to be an Acceptable Accounts Receivable because of *bona fide* concerns about the collectability of such Accounts Receivable, or (iii) which are Agri-Stability balances owing to the Borrower or any of the Guarantors by the Government of Canada or any department or agency of the Government of Canada.

"Acceptable Accounts Receivable Value" means, at the time of any determination thereof, the aggregate amount of Acceptable Accounts Receivable less any Potential Statutory Priority Amount not otherwise deducted from the Acceptable Inventory Value wherein there is a Lien, deemed trust, right of garnishment or similar right of claim in respect of an Acceptable Accounts Receivable.

"Acceptable Inventory" means, at the time of any determination thereof, any inventory of a Borrower or Guarantor arising in the ordinary course of business and as to which each of the following requirements has been fulfilled to the reasonable satisfaction of the Bank:

- (i) the Borrower or Guarantor owns the inventory and except for the Licensed Breeding Stock, has full and unqualified right to, and has assigned and granted, a first priority perfected Lien in such Inventory to the Bank pursuant to the Security, and the Security constitutes a perfected first ranking Lien on such Inventory in the jurisdiction in which such Inventory is located, subject only to Permitted Liens;
- (ii) subject to such allowances determined in accordance with GAAP, none of such inventory is obsolete, unsaleable, damaged or otherwise unfit for sale because of a defect or damage to such Inventory; and
- (iii) the License Agreements applicable to Inventory that is Licensed Breeding Stock are in full force and effect and there is no default under, or notice of termination of, any License Agreement.

"Acceptable Inventory Value" means the value of Acceptable Inventory based on the lower of direct cost or market value (mark to market) thereof (in the case of Inventory other than Licensed Breeding Stock) or slaughter value (in the case of Licensed Breeding Stock), calculated in accordance with GAAP, less:

- (i) the amount of priority payables of the Borrowers;
- (ii) the amount of Permitted Liens having priority over the Security with respect to Inventory; and
- (iii) the Potential Statutory Priority Amount wherein there is a Lien, deemed trust or similar right of claim in respect of Acceptable Inventory.

"Account Debtor" means any party obligated to make payment to a Borrower or Guarantor under any Accounts Receivable.

"Accounts Receivable" means all accounts, debts, monies, claims, demands, choses in action and intangibles of every nature and kind due, owing or accruing to a Borrower or Guarantor.

"Applicable Law" means, with respect to any person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction.

"Bank" and **"BMO"** means BMO Bank of Montreal, the lender under this Term Sheet.

"Bps" means a measurement of interest where 100 basis points equal 1.0%.

"Breakage Costs" means all costs, losses and expenses of the Bank arising or resulting from the termination, liquidation, reinvestment or re-establishment of any lending, investment, hedging or trading position relating to any cost of funds borrowing, treasury risk agreement or bankers' acceptance in circumstances where such termination, liquidation, reinvestment or re-establishment of any lending, investment, hedging or trading position has been necessitated or required due to an Event of Default, a prepayment or a failure of a Borrower to notify the Bank of the Borrower's intention with respect to a maturing cost of funds borrowing, treasury risk agreement or bankers' acceptance.

"Breeding Stock" means the boars, sows and selected gilts held for use in the production of hogs by the Borrower.

"Borrowers" means The Puratone Corporation, a "Borrower" (presently the only Borrower) and any wholly-owned Subsidiary that all parties hereto agree is to become a borrower from the Bank under any Facility, and each is a Borrower.

"Class D Preferred Share Purchase for Cancellation Plan" means that certain Class D Preferred Share Purchase for Cancellation Plan described and summarized in the Business case (Class D share component).pdf document sent by e-mail from Larry Johnson to Greg Fedoryn and Ron Luba at 3:11 p.m. on January 27, 2011.

"Current Assets" means current assets as defined in accordance with GAAP, including the Breeding Stock inventory.

"Current Liabilities" means current liabilities as defined in accordance with GAAP, including scheduled debt repayment due within 12 months, but excluding demand debt not scheduled to be repaid within 12 months.

"Debt Service Coverage Ratio" means funds available to service debt divided by the aggregate of all principal payments and interest expense due in one year. Funds available include net income after taxes plus interest, depreciation and amortization less extraordinary items and sustaining capex. Payments include all principal payments on loans, capital leases and other scheduled installments.

"EBITDA" means, with respect to any period of any person, the net income (excluding extraordinary gains or losses) of that person for such period plus or minus, to the extent deducted or added in determining such net income, without duplication:

- (i) income taxes paid or payable or refunds received or receivable in respect of income taxes;
- (ii) interest expenses, waiver fees and commitment and other fees payable to the Bank or otherwise;
- (iii) depreciation and amortization expenses (including, without limitation, the amortized portion of professional fees, bank charges, securitization charges and restructuring charges); and
- (iv) other non-cash items identified in the statement of changes in financial position which reconcile net income after taxes to cash from or used in operation excluding non-cash working capital items and items related to business combinations and discontinued operations, all to be determined in accordance with GAAP.

"Existing Permitted Guarantees" means the following outstanding guarantees previously executed and delivered to FCC by The Puratone Corporation and/or the Subsidiaries:

Guarantor	Debtor	Guarantee Amount
The Puratone Corporation	Silver Weanlings Inc.	\$1,425,000
The Puratone Corporation	Pembina Valley Pigs Ltd.	Unlimited
Pembina Valley Pigs Ltd.	The Puratone Corporation	Unlimited

"Existing BMO Short Term Debt" means existing short term debt of the Borrower, Niverville Swine Breeders Ltd. and Puratone (USA) Inc. (guaranteed by the Borrower) owed to BMO in the total amount of C\$28,905,000.

"FCC" means Farm Credit Canada.

"FCC Cash Sweep" means an amount to be paid by the Borrower to FCC on loan principal reduction, such amount being the lesser of (i) 100% of the Borrower's "free cash" (i.e. net income plus depreciation, less FCC and BMO term principal payments, less capital expenditures and leases) as at September 30, 2012, and (ii) the total amount of the regular scheduled loan principal payments due FCC for the fiscal year ended at September 30, 2012 and which were not paid to FCC because of its agreement to waive such payment requirements. NOTE - based on the Borrower's 2011/2012 projections a FCC Cash Sweep in fiscal 2012 is not anticipated.

"FCC HILLRP Credit Agreement" means the new credit agreement dated in or about February 2010 between The Puratone Corporation, Pembina Valley Pigs Ltd. and FCC which *inter alia* restructures FCC's loans to The Puratone Corporation and Pembina

Valley Pigs Ltd. and the repayment schedule(s) related to such loans, including the term out of C\$7,000,000 of qualifying debt under the HILLRP, as amended, restated and replaced from time to time.

"Fixed Rate Operating Loan" or **"FROL"** means a fixed rate operating loan advanced in C\$ at the quoted annual base rate for the term of the fixed rate advance. Such base rate shall be set each morning by the Bank. Advances are made available by way of promissory notes for terms of between 10 and 365 days provided the term of such FROL does not expire after the stated repayment dates or any demand for payment. The interest will be due and payable monthly in arrears based on a 365/366-day year.

"GAAP" means, at anytime, the generally accepted accounting principles in Canada, applied on a consistent basis, and statements and interpretations (if applicable) issued by the Canadian Institute of Chartered Accountants or any successor or body in effect from time to time.

"Guarantors" means all of the Subsidiaries, including without limitation, each of Pembina Valley Pigs Ltd., Niverville Swine Breeders Ltd. and Forest Lane Farm Ltd.

"HILLRP" means the Federal Canadian Government's Hog Industry Loan Loss Reserve Program.

"HILLRP Contribution Agreement" means that certain Contribution Agreement in relation to the HILLRP entered into (or to be entered into) by the Bank and Her Majesty the Queen in Right of Canada.

"HILLRP Qualification Date" means the date on which all of the following requirements for the Existing BMO Short Term Debt to qualify for the HILLRP have been satisfied or completed to the satisfaction of the Bank and its counsel:

- (i) the Borrower's provision to the Bank of an Eligible Business Plan and its Borrower Declaration, both as contemplated by the HILLRP Contribution Agreement;
- (ii) all requirements set out herein in relation to the HILLRP Facility B;
- (iii) the Bank's receipt of notice or confirmation from the Government of Canada, represented by the Minister of Agriculture and Agri-Food, that the Existing BMO Short Term Debt, when termed out, qualifies for loan loss reserve protection under the HILLRP; and
- (iv) implementation of the restructuring of FCC's loans to The Puratone Corporation under the FCC HILLRP Credit Agreement.

"Interest Coverage" means the annualized 4-quarter rolling average of EBITDA for the fiscal year divided by the total interest expense for the twelve month period in question.

"Licensed Breeding Stock" means Inventory that a Borrower or Guarantor may be obligated to return or sell for slaughter pursuant to a License Agreement.

"License Agreement" means any agreement involving a Borrower or Guarantor respecting the provision of breeding swine by a third party, including (without limitation) the Swine Genetics Agreement dated March 1, 2002 between the Parent Company and Monsanto Choice Genetics Inc. /Monsanto Canada, Inc.

"Lien" means, with respect to any property or assets, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement, levy, execution, seizure, attachment, garnishment, encumbrance preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets.

"Margin" means the total cumulative C\$ value of the following:

- (i) an amount not to exceed 75% of the Bank's estimated worth of Acceptable Accounts Receivable on such date;
- (ii) an amount not to exceed 75% of the Bank's estimated worth of Acceptable Inventory Value on such date for Acceptable Inventory other than equipment inventory held for resale; and
- (iii) an amount not to exceed the lesser of C\$750,000 and 50% of the Bank's estimated worth of Acceptable Inventory Value on such date for Acceptable Inventory that is equipment inventory held for resale.

NOTE - Commencing on the HILLRP Qualification Date and with the initial margined loan availability calculation under new Facility A, the new margined operating facility Breeding Stock is to be valued on the lower of direct cost or market rather than the historical GAAP Breeding Stock valuation which had been previously been utilized in prior BMO margin calculations under the Original Puratone Term Sheet.

"MASC" means Manitoba Agricultural Services Corporation.

"MASC Loan Agreement" means the two letters issued by MASC to the Borrower and accepted the Borrower as follows: (i) issued on May 6, 2008 and accepted on May 9, 2008, and (ii) issued on August 11, 2008 and accepted on September 8, 2008.

"Parent Company" means The Puratone Corporation.

"Permitted Liens" means, with respect to any property or asset of any person, the following Liens:

- (i) any Lien for taxes, duties and assessments and liens securing workers' compensation, unemployment insurance or other social security obligations not at the time overdue;
- (ii) any Lien for taxes, duties and assessments which may be overdue but the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Bank have been established;
- (iii) Liens or rights of distress reserved in or exercisable under any lease for rent not at the time overdue or for compliance with the terms of such lease not at the time in default;
- (iv) any obligations or duties affecting any lands due to any public utility or to any municipality or government, or to any statutory or public authority, with respect to any franchise, grant, licence or permit in good standing and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands under government permits, leases or other grants in good standing; which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held;
- (v) Liens incurred or deposits made in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, warehousemen's, carriers' and other similar liens and deposits;
- (vi) security or deposits given to a public utility or any municipality or government or to any statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not at the time overdue;
- (vii) Liens and privileges arising out of judgments or awards in respect of which an appeal or proceeding for review has been commenced, a stay of execution pending such appeal or proceedings for review has been obtained and reserves satisfactory to the Bank have been established;
- (viii) any builder's, mechanic's, labourer's, materialman's statutory or other similar lien arising in the ordinary course of business or out of the construction or improvement of any lands or arising out of the furnishing of materials or supplies therefor, securing moneys not at the time overdue;
- (ix) reservations, limitations, provisoes and conditions, if any, expressed in any original grants from the Crown;
- (x) Purchase Money Liens;

- (xi) title defects or irregularities which, in the opinion of the Bank's counsel, are of a minor nature and in the aggregate will not materially impair the use of the property for the purposes for which it is held by a Borrower;
- (xii) Liens on property existing immediately prior to the time of acquisition thereof (and not incurred in anticipation of financing of such acquisition) and which will be discharged pursuant to usual closing arrangements; provided that notice of such acquisition is provided to the Bank promptly following the acquisition thereof, such notice to contain details of the nature of such Liens and the arrangements in place to discharge same;
- (xiii) subordinated Liens securing subordinated debt;
- (xiv) the Bank's Security;
- (xv) FCC's Security and MASC's Security, subject to the new InterCreditor and Priority Agreements hereinafter described;
- (xvi) the security granted by Forest Lane Farm Ltd. to Niverville Credit Union Limited ("NCU"), provided that (a) Forest Lane Farm Ltd.'s only assets are the 7200 head nursery facility located near Ste. Anne, Manitoba purchased from NCU in early 2011, (b) Forest Lane Farm Ltd.'s only indebtedness to NCU is for the purchase price (\$552,750) for such assets (i.e. NCU finances 100% of the purchase price by means of a new mortgage facility amortized over 165 months at zero percent interest), (c) NCU has no recourse to the Borrower or any of the Guarantors other than Forest Lane Farm Ltd., and (d) NCU has no security over or recourse to any of the livestock, feed or other inventory situated at the nursery facility, all of which is owned by the Borrower and charged by a first Lien in favour of BMO; and
- (xvii) any Lien consented to in writing by the Bank.

"Potential Statutory Priority Amount" at any time means:

- (i) all employee source deductions, goods and services tax, corporation capital tax, payroll tax and all other amounts payable by the Borrowers and Guarantors at such time pursuant to the *Income Tax Act (Canada)*, the *Excise Tax Act (Canada)*, the *Canada Pension Plan (Canada)*, the *Employment Insurance Act (Canada)*, the *Corporation Capital Tax Act (Manitoba)*, the *Health and Post Secondary Education Tax Levy Act (Manitoba)*, the *Employment Standards Act (Manitoba)*, the *Workers Compensation Act (Manitoba)* or any federal or provincial legislation similar to or enacted in replacement of the foregoing from time to time;
- (ii) all amounts payable by the Borrowers and Guarantors at any time pursuant to legislation in respect of builder's liens and construction liens; and

- (iii) all amounts covered by any statutory priority granted to a person pursuant to subsections 81.1 to 81.6 inclusive of the *Bankruptcy and Insolvency Act (Canada)* (the "BIA") or any federal or provincial legislation similar to or enacted in replacement of the BIA;

which provides for the creation of a Lien, deemed trust, right of garnishment or similar right or claim in respect of the Accounts Receivable, Inventory, Breeding Stock or other Collateral in favour of any Person, which ranks or purports to rank in priority to the Security.

"PPSA" means *The Personal Property Security Act (Manitoba)*.

"Prime Rate" or "Prime" means the floating annual rate of interest established from time to time by the Bank as the base rate it will use to determine the rates of interest on Canadian dollar loans made in Canada and designated as its Prime Rate. Interest payable on Canadian dollar direct advances will be due and payable monthly in arrears based on a 365/366-day year.

"Purchase Money Lien" means any Lien on any asset, other than accounts receivable or inventory, of a person which is assumed, created, guaranteed or reserved to secure the unpaid purchase price of such asset, interest thereon and proceeds in respect thereof, provided that any such Lien is limited to the asset so acquired.

"Subsidiaries" means all of the Parent Company's wholly-owned subsidiaries (both directly and indirectly owned) now existing or hereafter formed, subject to exceptions (if any) to be determined by the Bank.

"Tangible Net Worth" or "TNW" means shareholders equity (including share capital, contributed surplus, retained earnings and the long term portion of Redeemable and Retractable Preference Shares), plus subrogated loans, minus inter-company investments (unless approved by the Bank and FCC), inter-company advances or receivables, minus intangible assets (including deferred financing costs, goodwill, other).

"Total Funded Debt" means total balance sheet debt (netted against cash held) plus the face value of all outstanding guarantees (with the exception of Existing Permitted Guarantees), excluding future income taxes, the long term portion of redeemable and retractable preference shares, non-controlling interest, and subrogated debt.

"Total Funded Debt to EBITDA Ratio" means with reference to the Borrower, the Borrower's Total Funded Debt divided by the Borrower's EBITDA, all calculated on a consolidated basis.

"US Dollar Base Rate" or "USBR" means the rate of interest per annum (based on a 365/366 day year), established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

PART TWO - FACILITY A (Margined Operating Facility)

Description - Demand, revolving credit facility in the maximum principal amount of up to C\$13,000,000 or its U\$ equivalent, available only upon and after the HILLRP Qualification Date.

Purpose - To provide for ongoing operating and working capital requirements for the Borrower and Guarantors.

Borrowing Options - Facility A will be available for draw down by the Borrower for the specified Purposes not earlier than the HILLRP Qualification Date and upon satisfaction of the Terms and Conditions set out herein by way of one or more of the following, all in a form satisfactory to the Bank in its sole discretion:

- (i) Direct advances in Canadian dollars (C\$) via a FirstBank Cash Management Account (FCMA), upon execution of the FCMA Agreement (primed-based);
- (ii) Direct advances in United States dollars (U\$) via the FCMA (US Base Rate-based) to a maximum Canadian dollar equivalent of C\$5,000,000;
- (iii) Fixed Rate Operating Loan (FROL) advances in C\$, whereunder the minimum draw down is for a term between 30 and 364 days subject to Bank of Montreal market pricing for the term selected; or
- (iv) Commercial Letter of Credit (L/C or L/G), each for a term of up to 364 days available in all major currencies then offered by the Bank, up to an aggregate of C\$2,500,000 outstanding and issued at any one time, and provided further that the Borrower has completed all documentation required by the Bank in respect of each L/C.

Advances under Facility A (C\$ equivalent of foreign currency advances will be converted daily at the Bank's noon spot rate) including the face value of outstanding Commercial Letters of Credit, will be governed by a margin requirement using accounts receivables and inventory of the Borrower and Guarantors, limiting such advances to the lesser of C\$13,000,000 and the Margin.

The Borrower shall not be entitled to draw down any Advances under Facility A until the HILLRP Qualification Date.

Maturity Date - The entire amount outstanding under Facility A, including all accrued and unpaid interest and outstanding Letters of Credit shall be repaid by the Borrowers immediately upon demand by the Bank.

Payment of Interest - Interest on amounts outstanding under Facility A shall accrue and be payable monthly in arrears at the rates set out herein, unless otherwise applicable for the respective borrowing option chosen.

Repayment of Principal - Unless otherwise specifically agreed per contract terms, the principal outstanding under Facility A shall be repaid by the Borrowers immediately upon demand by the Bank.

Interest Rates - All outstanding amounts under Facility A shall bear interest at the rates set out below and may be subject to certain fees as determined by the Bank from time to time. The outstanding principal amounts under Facility A shall bear interest at the following rates:

Base Reference Rate	Base Reference Rate Plus	Banker's Acceptance	Commercial Letters of Credit
Prime or USBR	1.5%	NOT AVAILABLE	2.0% per annum

FROL under Facility A is subject to Bank of Montreal market pricing for the term selected.

PART THREE - FACILITY B (HILLRP Facility):

Description - 15 year term credit facility for C\$28,905,000 representing indebtedness of the Borrower to the Bank refinanced under the HILLRP, being comprised of the former debt summarized in the Table under the next heading (Purpose).

Purpose - To re-finance and term out under the HILLRP all of the Existing BMO Short Term Debt.

Borrowing Options - The HILLRP Facility will be available for draw down by the Borrower for the specified Purpose upon satisfaction of the Terms and Conditions set out herein as follows: 15 year committed credit facility for C\$28,905,000 available as a non-revolving/reducing term loan.

Maturity Date - The entire amount outstanding under HILLRP Facility, including all accrued and unpaid interest, shall be repaid by the Borrowers on December 31, 2024.

Payment of Interest - Interest on amounts outstanding under HILLRP Facility shall accrue and be payable monthly in arrears.

Repayment of Principal - The principal outstanding under HILLRP Facility shall be repaid by the Borrower in equal monthly principal only payments of C\$185,288.46 commencing on March 1, 2012 (on each such monthly payment date the Borrower shall

also pay all accrued interest on the outstanding principal). For the first 24 months under the HILLRP Facility the Borrower will only be required to make interest payments.

Interest Rate - Interest payable on the HILLRP Facility, or any part thereof, shall be payable at the following rate: Prime Rate plus Three (3.0) percent per annum for the first 12 months, and thereafter reducing to Prime Rate plus Two (2.0) percent per annum for the balance of the term of Facility B.

PART FOUR - FACILITY C (Risk Management Facility):

Description - Risk Management facility up to a maximum principal amount of C\$5,000,000.

Purpose - To support foreign exchange and interest rate hedging program.

Borrowing Options - Facility C will be available for draw down by the Borrower for the specified Purposes upon satisfaction of the Terms and Conditions set out herein as follows: Availability at the Bank's discretion, as may be quoted by the Bank from time to time, by way of:

- (i) Canadian dollar equivalent forward foreign exchange contracts to a maximum contract term of one year. Available in major currencies acceptable to the Bank;
- (ii) Maximum daily settlement limit of C\$5,000,000, Canadian dollar equivalent for the face value of forward foreign exchange contracts and/or spot transactions maturing on any one day; or
- (iii) Maximum interest rate swaps term of 5 years, subject to a market out clause. Interest rate term selected is not to extend beyond the final amortization date.

Derivative availment under Bank facilities to be restricted to Forward Exchange Forward Contracts up to 6 months. Availability for further interest rate SWAPS and Forward Rate Agreements are suspended.

Maturity Date - Per contract terms.

Payment of Interest - Interest on amounts outstanding under Facility C shall accrue and be payable per contract terms entered into under such Facility.

Repayment of Principal - Unless otherwise specifically agreed per contract terms, the principal outstanding under Facility C shall be repaid by the Borrowers immediately upon demand by the Bank.

Interest Rate - Market rates.

PART FIVE - FACILITY D (Corporate MasterCard Facility):

Description - C\$150,000 Corporate MasterCard.

Purpose - For business expenses.

Borrowing Options - Facility D will be available for draw down by the Borrower for the specified Purposes upon satisfaction of the Terms and Conditions set out herein per standard MasterCard Agreement.

Maturity Date - The entire amount outstanding under Facility D, including all accrued and unpaid interest, shall be repaid by the Borrowers immediately upon demand by the Bank.

Payment of Interest - Interest on amounts outstanding under Facility D shall accrue and be payable per contract terms entered into under such Facility.

Repayment of Principal - Unless otherwise specifically agreed per contract terms, the principal outstanding under Facility D shall be repaid by the Borrowers immediately upon demand by the Bank.

Interest Rate - Per Standard MasterCard Agreement.

PART SIX - MISCELLANEOUS PROVISIONS FOR THE FACILITIES GENERALLY:

Mandatory Prepayments - The Borrower will be required to make the following additional payments:

- (i) any excess of the Facility A aggregate balance over the lesser of (A) C\$13,000,000 and (B) the Margin;
- (ii) 100% of the net cash proceeds from any insurance proceeds arising from the loss of inventory and Breeding Stock to be paid within two business days of receipt; and
- (iii) any excess over the limit of a Credit Facility outstanding under such Credit Facility as a result of currency fluctuations.

In recognition of FCC's concessions on debt repayment on its non-HILLRP loans to the Borrower, for the Borrower's year ended September 30, 2012 (fiscal 2012), BMO agrees that FCC will be entitled to implement the provisions of the FCC Cash Sweep. NOTE - based on Borrower's 2011/2012 projections a FCC Cash Sweep in fiscal 2012 is not anticipated.

If at the end of any fiscal year commencing with respect to the year ended September 30, 2012, based on the 4 quarter rolling EBITDA for the fiscal year and the calculation of the Debt Service Coverage Ratio, subsequent to full payout to FCC of any monies it is entitled to receive pursuant to the FCC Cash Sweep, then 75% of the remaining Excess Cash Flow for the fiscal year shall be paid to the Bank (37.5%) and FCC (37.5%) on an equal basis within 90 days of the fiscal year end. For the Bank, these funds will be applied as a permanent reduction on loan principal on Facility B (HILLRP Term Facility) with these loan principal payments to be applied in the inverse order of loan maturity.

Breakage Costs - The Borrower shall also reimburse the Bank for all Breakage Costs. The Borrower shall not be required to pay Breakage Costs in respect of any specifically scheduled or mandatory payments hereunder or in respect of any specifically permitted prepayments hereunder.

Interest Calculation and Payment - Interest shall be computed on the basis of a three hundred and sixty five (365) day year (or a three hundred and sixty six (366) day year for leap years) and shall be calculated and payable monthly in arrears on the last business day of each month.

Interest payable on the Credit Facilities, or any part thereof, shall be payable both before and after demand and/or the Maturity Date and before and after default and/or judgment, if any, until full payment thereof, and interest shall accrue on overdue interest, if any, at the rates set out below.

All outstanding amounts under the Credit Facilities shall bear interest at the rates set out herein and may be subject to certain fees as determined by the Bank from time to time.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the *Interest Act (Canada)* is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

All interest payments shall be made without allowance or deduction for deemed reinvestment or otherwise, both before and after maturity and before and after default and judgment and such interest shall be calculated using the nominal rate method, not the effective rate method.

Interest on Prime based loans and USBR loans is calculated daily and payable monthly in arrears based on the number of days the subject loan is outstanding.

L/C and L/G fees are payable at the time of issuance of the L/C or L/G.

Interest on Fixed Rate Operating Loans (FROLs) is compounded monthly and payable monthly in arrears unless otherwise noted.

All overdue amounts of principal and interest shall bear interest from the date on which the same became due until the date of payment at the applicable Interest Rate plus an additional 2% per annum.

Currency Indemnity - U\$ loans must be repaid with U\$ and C\$ loans must be repaid with C\$, and the Borrower shall indemnify the Bank for any loss suffered by the Bank if the U\$ loans are repaid with C\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise.

Indebtedness - The Borrower acknowledges that the actual recording of the amount of any Advance or repayment thereof under any Facility and interest, fees and other amounts due in connection with such Facilities, in the accounts of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under this Term Sheet; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of this Term Sheet shall not be affected by the failure of the Bank to make such recording.

Payments - All payments to be made hereunder shall be made free of any set off and in immediately available funds to the Bank at its Winnipeg Main Office at 335 Main Street, Winnipeg, Manitoba R3C 1C2.

Application of Payments - Each payment under this Term Sheet prior to an Event of Default shall be applied first in payment of costs and expenses, then interest, fees and the balance, if any, shall be applied in reduction of principal. If an Event of Default shall occur and be continuing, all payments made by the Borrower and its Guarantors hereunder shall be applied in the following order:

- (a) To amounts due hereunder as costs and expenses;
- (b) To amounts due hereunder as default interest;
- (c) To amounts due hereunder as interest;
- (d) To amounts due hereunder as fees;
- (e) To amounts due hereunder as principal; and
- (f) To any amounts remaining, to the Borrower or as otherwise required by Applicable Law.

PART SEVEN - CONDITIONS PRECEDENT:

All conditions precedent (outlined below) related to the new financing must be satisfied:

1. All security documents duly executed and registered in the required jurisdiction(s), as determined by the Bank and its counsel.
2. All fees and expenses collected and/or paid.
3. All Term and Conditions of this Term Sheet are in compliance.
4. The Borrower shall keep BMO informed (including the delivery to BMO of all relevant documentation and agreements) of the status of its discussions and negotiations respecting its arrangements with certain of its third party creditors such as FCC, MASC, Newsham and select other creditors, including without limitation, a moratorium of some sort from MASC and an anticipated one (1) year forbearance from Newsham (the "Creditor Compromises").

The following are ongoing conditions precedent, as required:

1. Indemnities with respect to Commercial Letters of Credit as required.
2. All security documents duly executed and held by the Bank.
3. All Terms and Conditions of this Term Sheet are in compliance.

PART EIGHT - REPRESENTATIONS AND WARRANTIES:

The Borrower and Guarantors jointly and severally represent and warrant to the Bank that:

1. Each of the Borrower and the corporate Guarantors have been duly incorporated and are in good standing in the Province of Manitoba and that each of the Borrower and the Guarantors has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property;
2. This Term Sheet and all existing Security is, and when executed by the Borrower and/or Guarantors the new Security will be, valid, binding and legally enforceable against the Borrower and the Subsidiaries in accordance with their respective terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally and that specific performance and other equitable remedies are subject to the discretion of the courts to which such remedy is sought;

3. The Borrower and the Subsidiaries each have all requisite power, authority and capacity to execute and deliver this Term Sheet and the Security and to perform their respective obligations hereunder and thereunder;
4. The Borrower and its Subsidiaries have good, valid and marketable title to all of their property and assets;
5. The Borrower and its Subsidiaries are in compliance with the provisions of all federal, provincial, state, local and other laws, codes and ordinances (including, without limitation, environmental, health and safety laws, codes and ordinances) and all rules and regulations formulated thereunder;
6. There are no actions, suits or proceedings pending or threatened against the Borrower or its Subsidiaries, or affecting any property owned by the Borrower or its Subsidiaries, before any court or governmental department, commission, board or agency which, if determined adversely, would have a material adverse effect on the financial condition of the Borrower or its Subsidiaries or a material adverse effect on their right, title and interest in and to any of the property or assets owned by them;
7. Any taxes, assessments, deductions at source, income taxes or other levies, the payment of which is secured by a legal privilege, prior claim, or legal hypothec have been paid by the Borrower and its Subsidiaries without subrogation or consolidation;
8. The Borrower and its Subsidiaries are presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the business and assets of the Borrower and its Subsidiaries; and
9. There exists no default or event of default under this Term Sheet, the Credit Facilities hereunder or the Security by the Borrower and/or Subsidiaries.

The representations and warranties contained above shall survive the execution and delivery of this Term Sheet and the making of each drawdown under the Credit Facilities, notwithstanding any investigations or examinations that may be made by the Bank or counsel to the Bank.

PART NINE - COVENANTS (Positive, Negative and Financial):

Positive Covenants - As long as any of the Credit Facilities remain outstanding, the Borrower shall and shall cause each of its Subsidiaries to (and each of the Guarantors also agrees to):

1. Carry on business and operations in accordance with good practices consistent with accepted industry standards and pursuant to applicable

agreements, regulations, and laws in the same industry in which it is currently carrying on business;

2. Cause to be paid all amounts of principal, interests, fees and costs due to the Bank on the dates, times and place specified herein;
3. Cause all other credit facilities/loans in excess of C\$100,000 to remain in good standing;
4. Maintain corporate existence and comply with all Applicable Laws;
5. Pay, when due, all taxes, assessments, deductions at source, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidation;
6. Comply with all regulatory bodies and provisions regarding environmental procedures and controls;
7. Allow the Bank access to visit and inspect the assets, property and premises of the Borrower and the Subsidiaries (subject to the Borrower's policies on bio-security);
8. Maintain adequate and appropriate insurance on the Borrower's and the Subsidiaries' assets having the Bank named as first loss payee under such policies covering inventories and Breeding Stock;
9. Inform the Bank of any event or action which would have a material adverse impact on the operational or financial affairs of the Borrower or the Subsidiaries, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business;
10. Keep and maintain books of account and other accounting records in accordance with GAAP;
11. Provide all materials as requested under the Reporting Requirements detailed below;
12. Provide the Bank with information and financial data as it may request from time to time;
13. Maintain all of the Borrower's and Subsidiaries' property, plants, assets and equipment in good repair and working condition;
14. Provide such reasonable additional security, information and documentation as may be requested by the Bank or its solicitors from time to time; and

15. Notify the Bank of any material litigation commenced or threatened against the Borrower or any Subsidiary.

Negative Covenants - The Borrower hereby agrees (and the Guarantors also agree) with the Bank that, unless the Bank shall have given prior written approval, it shall not nor shall it permit any of the Subsidiaries, so long as any loans or commitments hereunder remain outstanding, to:

1. Except for the Existing Permitted Guarantees, guarantee or act as surety or agree to indemnify the debts of others;
2. Incur or create any further or additional indebtedness except to the Bank and debt which is formally subrogated to the Bank and debt covered within the InterCreditor and Priority Agreement and/or such debt which is considered normal indebtedness as may be incidental to the ordinary course of business (i.e. other non-recourse financing). Notwithstanding any of the foregoing, the Borrower and the Subsidiaries shall not incur additional funded debt/capital lease obligations in excess of C\$500,000 per annum;
3. Lend money to or invest money in any person, firm, joint venture, partnership, company or corporation whether by way of loan, acquisition of shares, acquisition of debt obligations or in any other way whatsoever without prior written consent from the Bank, such consent not be unreasonably withheld;
4. Merge, amalgamate or acquire any other corporation or its assets (with the exception of any amalgamation or inter-corporate restructuring of the Borrower's Subsidiaries - provided the Bank receives advance notice of the details and timing of any of the foregoing and all reasonable requirements of the Bank and its counsel in respect thereof are attended to);
5. Sell, lease, assign, transfer, convey or otherwise dispose of, or permit any of the Subsidiaries to sell, lease, assign, transfer or otherwise dispose of, the property or assets against which the Bank security is registered in excess of 10% of the consolidated Tangible Net Worth of the Borrower;
6. Cease to carry on the business currently being carried on by the Borrower and Subsidiaries at the date hereof;
7. Make any payments of principal on debt subordinated to the Bank, unless BMO's prior written approval is first given, which approval may be withheld in BMO's absolute discretion notwithstanding that the Borrower is in full compliance with all covenants both before and after giving effect to the payment; provided that if the Borrower is not in default and the payment would not cause a default, the Borrower may make regularly scheduled payments of interest only on such subordinated debt;

8. Pay or make any dividends, share redemptions and/or other shareholder distributions other than in strict accordance with the terms and conditions of the Class D Preferred Share Purchase for Cancellation Plan, unless BMO's prior written approval is first given, which approval may be withheld in BMO's absolute discretion notwithstanding that the Borrower is in full compliance with all covenants both before and after giving effect to the payment of such dividends, share redemptions and/or other shareholder distributions;
9. Make any material capital expenditures not stipulated in the annual capital expenditure budget approved by the Bank and FCC;
10. Enter into any future grain and hog hedging programs with third party Brokers unless the Borrower's shareholders fully fund and backstop all margin deposits and any related margin calls;
11. Make any principal payments on its long term debt (the Bank's Facility B for initial 12 months, FCC debt and the Parent Company's subordinated debt) except as specifically provided for in either this Term Sheet or the FCC HILLRP Credit Agreement (capital lease payments are excluded from this principal payment restriction); and
12. Make any amendments to the terms and conditions of the FCC debt and MASC debt as referenced in the FCC HILLRP Credit Agreement and the MASC Loan Agreement respectively, except with prior approval by the Bank, not to be unreasonably withheld.

Financial Covenants - To be maintained at all times based on the consolidated financial statements of the Borrower (and, where applicable, financial information extracted from the consolidated financial statements of designated subsidiaries) prepared in accordance with GAAP. For clarity, it is expected that investments in all affiliates or subsidiaries that are less than 100% owned will be presented in accordance with GAAP in the consolidated financial statements of the Borrower and designated subsidiaries. The following covenants shall be calculated and presented by the Borrower in writing to the Bank, with the covenants to be tested quarterly (except as otherwise noted):

1. Minimum Working Capital ratio, which is Current Assets divided by Current Liabilities, shall be equal to or exceed 1.05;
2. Maximum Total Funded Debt to TNW ratio not to exceed 3.00;
3. Minimum Debt Service Coverage Ratio shall be equal to or exceed 1.10. An annual Debt Service Coverage Ratio is to be calculated based on a rolling 4 quarter EBITDA divided by an aggregate of the annual fiscal interest expense, term debt repayment and capital lease payments. Adjustments to the calculation of the Debt Service Covenant Ratio will be allowed as follows:
 - (a) non cash debt accretion (re FCC interest adjustment on below market

interest rate) will be deducted from loan principal and interest payments YTD, and (b) EBITDA is to include AgriStability payments as received. While the Bank will continue to review this calculation for monitoring purposes for the first 3 quarters of each fiscal year, the Minimum Debt Service Coverage Ratio will be tested for covenant purposes on an annual basis on September 30 in each year.

4. Minimum EBITDA is to be maintained at not less than 70% of the annual BMO approved Business Plan projections. EBITDA will be calculated on a rolling 4 quarter basis for each fiscal year only and this Minimum EBITDA covenant will be tested on a quarterly basis. For fiscal 2012 EBITDA is to include AgriStability payments as received and interest expense will be calculated net of the FCC amortization of the FCC "fair value" debt rate discount. For fiscal 2012 the quarterly EBITDA forecast is as follows:

Quarter	Projected EBITDA*	70% Minimum EBITDA **
1 st ended December	\$1,140,513	\$798,359
2 nd ended March	\$ 3,485,166	\$ 2,439,616
3 rd ended June	\$7,111,445	\$4,978,012
4 th ended September	\$10,276,637	\$7,193,646

* includes AgriStability payments as received

** based on fiscal 2012 only, on cumulative quarterly basis

5. The capital expenditure budget must be approved annually by the Bank and FCC. For fiscal 2012 the approved capital expenditure budget is C\$ 4,706,566.
6. Total outstanding balances under Facility A must not exceed the cumulative value of the monthly Margin (tested monthly).

Temporary Waiver - Compliance by the Borrower and Guarantors with the following Terms and Conditions in this Term Sheet shall be waived during certain time periods, as stipulated below:

Waived Terms/ Conditions	Waiver Time Period
Maximum Total Funded Debt to TNW ratio	To be permanently waived unless a debt for equity swap should be approved enabling the Borrower to meet this covenant

The Waiver Time Periods stipulated for the Minimum Working Capital Ratio and the Minimum Debt Service Coverage Ratio in the 2010 Term Sheet have expired and such Term and Conditions are now operative.

PART TEN - REPORTING REQUIREMENTS:

The Borrower shall deliver or cause to be delivered to the Bank, the following:

1. Monthly listings of accounts receivable, priority payables and inventory for the Borrowers and Subsidiaries in sufficient detail to support the calculation of the combined borrowing base under Facility A in accordance with the Margin stipulation, within 30 days of month end (the foregoing is inclusive of the continuing requirement for Borrower's signed monthly Declaration of Prior Claims and Statutory Deductions & Accounts Receivable Confirmation on BMO's standard form as has been delivered in the past).
2. Monthly borrowing certificate signed by a company officer, indicating the Borrowers' calculation of the combined borrowing base under Facility A in accordance with the Margin stipulation and confirming the balance outstanding under Facility A fall within the Borrowing Base, within 30 days of month end.
3. Monthly consolidated financial statements of the Borrower prepared in accordance with GAAP, to be provided with the monthly borrowing certificate.
4. Quarterly compliance certificate (September, December, March, June) signed by a company officer indicating status of all covenants, including supporting documentation for related calculations, details of total investment in affiliates/subsidiaries and Officer's declaration / confirmation of the amount of current deferred tax liabilities that are not payable within the next 12 months, to be provided within 45 days of each fiscal quarter end.
5. Quarterly written Consultants Reports from Deloitte & Touche (September, December, March, June), to be provided within 45 days of each fiscal quarter end, addressed to Bank to Montreal reviewing the Borrower's actual financial performance to approved plan, and providing commentary on material variances to the Borrower's annual financial plan. The Consultant is to confirm that the Borrower remains in compliance with its Bank covenants or the Consultant will identify any Bank covenant breaches. The Consultant will also provide a market valuation (mark to market) on the Borrower's hog inventory.
6. Annual audited consolidated financial statements / Annual Report for the Borrower, to be provided within 90 days of fiscal year end. At the Bank's written request the Borrower is to deliver to the Bank unconsolidated review engagement external Accountant prepared financial statements for the Borrower and its designated subsidiaries within 90 days of fiscal year end

7. Annual consolidated business plan for the Borrower, to be provided annually by not later than October 31st of each year. The annual business plan is to include the following: projected monthly income statement, balance sheet, changes in financial position and details of the annual capital expenditure plans (by entity). Borrower is to forecast monthly utilization of the margined operating line Facility A and margin surplus position. Details of the underlying assumptions associated with the business plan are also to be provided. Any material revisions to the business plan are to be immediately communicated to the Bank. The Bank reserves the right to require (and the Borrower agrees to provide) unconsolidated information as required from time to time.
8. Environmental Compliance Certificate to be provided annually by not later than October 31st of each year.

PART ELEVEN - SECURITY:

New or existing security and/or related documentation to be determined under the guidance of Bank counsel, including, but not limited to:

Currently Held

1. General Security Agreement - registered in all relevant jurisdictions.
2. General Assignment of Book Debts - registered in all relevant jurisdictions.
3. Section 427 Security - over inventory in an amount consistent with Facility A and B.
4. Subrogation of Indebtedness - owing by the Borrower to each of the following:
 - George Hildebrandt
 - Ross Parke
 - Barbara Parke
 - Edwin Rempel **
 - Ella Rempel **
 - Jonathon Fahr
 - James Fahr
 - Betty Koslowski
 - Freida and John Schmidt
 - Anne Hildebrand
 - Gary Hildebrand
 - J&W Entreprises (1993) Ltd.
 - Fahr's Farm Ltd.

** By e-mail from BMO to the Borrower on January 4, 2010, BMO agreed to allow the Borrower to repay Ed Rempel (and/or Ella Rempel) \$14,670.57 (in total) on his/hers/their subordinated shareholder investment in The Puratone Corporation, such permitted payment being a "one off" payment, with consent thereto given by BMO solely for compassionate reasons.

5. Standard ISDA agreement - with respect to derivative products.
 6. Guarantees - Unlimited guarantees supported by General Security Agreements registered in all relevant jurisdictions, from the following present Subsidiaries:
 - Niverville Swine Breeders Ltd.
 - Triangle Farm Products Ltd. ##
 - Pembina Valley Pigs Ltd. (former name was K Line Management Ltd.)
 - Border Bacon Growers Ltd. **
 - Premier International Genetics Ltd. **
 - Killarney Shamrock Genetics Ltd. **
 - Rosenfeld Piglets Ltd. **
- ** Company subsequently amalgamated into K Line Management Ltd.
Company subsequently wound up into the Borrower
7. Satisfactory Environmental Checklist(s) - over all real property.
 8. Certificate of Environmental Compliance - dated November 29, 2006.
 9. Evidence of Insurance - over inventory (including Breeding Stock) with loss payable to the Bank.
 10. InterCreditor and Priority Agreement dated as of June 20, 2006 with FCC and United Grain Growers Limited o/a Unifeed - with the Bank having first priority ranking security over all accounts receivable, inventories and Breeding Stock.
 11. General Security Agreement from Niverville Swine Breeders Ltd.
 12. General Assignment of Debts from Niverville Swine Breeders Ltd.
 13. \$2,000,000 Demand Collateral Mortgage in favour of the Bank signed by Niverville Swine Breeders Ltd. charging its land
 14. Guarantee for Indebtedness of an Incorporated Company (LF 44 Can.) in favour of the Bank from The Puratone Corporation in relation to the indebtedness of Niverville Swine Breeders Ltd. (\$1,000,000)

15. Guarantee for Indebtedness of an Incorporated Company (LF 44 Can.) in favour of the Bank from Niverville Swine Breeders Ltd. in relation to the indebtedness of the The Puratone Corporation (full covering and unlimited)
16. Postponement and Subordination Agreement (Form LF9) from The Puratone Corporation, and acknowledged by Niverville Swine Breeders Ltd.
17. Postponement and Subordination Agreement (Form LF9) from Coren Holdings Ltd., and acknowledged by Niverville Swine Breeders Ltd.
18. Guarantee for Indebtedness of an Incorporated Company (LF 44 Can.) in favour of the Bank from Coren Holdings Ltd. in relation to the indebtedness of Niverville Swine Breeders Ltd. (full covering and unlimited)
19. General Security Agreement from Coren Holdings Ltd.
20. Securities Pledge Agreement by Niverville Swine Breeders Ltd. of all of its preference shares of The Puratone Corporation
21. Inter-Creditor Priority Agreement dated January 30, 2009 between the Bank, MASC and Niverville Swine Breeders Ltd.
22. Executed Corporate MasterCard Agreement
23. Annual Confirmation of Property Tax confirmation by Dec 31st annually by way of Property Tax Payment Confirmation Certificate signed by the Borrower
24. Certificate of Environmental Compliance (Annual Requirement)
25. SAMU to obtain Insurance Renewal (Annual Requirement) and confirm BMO in first position on all inventories, including Breeding Stock.
26. Solicitor prepared confirmation agreement that confirms all Currently Held Security may be relied on by the Bank in respect of the Credit Facilities evidenced by this Term Sheet.
27. New InterCreditor and Priority Agreement between BMO, FCC, MASC, The Puratone Corporation and Pembina Valley Pigs Ltd. (to replace the agreement described at item 10 above).
28. New InterCreditor and Priority Agreement between BMO, MASC and Niverville Swine Breeders Ltd. (to replace the agreement described at item 21 above).
29. New FCMA Agreement for the margined Operating Facility (Facility A).

30. A new Promissory Note for the amount of the HILLRP Term Facility (at BMO Prime plus 3 percent).
31. In relation to Facility B, the establishment of a loan loss reserve pursuant to and in accordance with the HILLRP Contribution Agreement.
32. Unlimited Guarantee supported by a registered General Security Agreement from Forest Lane Farm Ltd. Note: The General Security Agreement in favour of BMO is subordinate in priority to Forest Lane Farm Ltd.'s security in favour of NCU.
33. Letter of Confirmation from The Puratone Corporation relative to the swapping of Puratone's retail and wholesale poultry feed production for Steinbach Hatchery & Feed Ltd hog production assets and royalty stream, confirming that this transaction will be cash neutral to Puratone and this transaction does not jeopardize BMO's existing loan security in any way.
34. Any additional security or other documents the Bank's solicitor may reasonably require (including for example purposes only and without limiting the generality of the foregoing, supporting resolutions, legal opinions, etc.)

PART TWELVE - EVENTS OF DEFAULT:

The following shall be Events of Default, upon the occurrence of which the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of all outstanding amounts in full under all Credit Facilities and without prejudice to the Bank's other rights and remedies, at which time the Security shall then become enforceable:

1. Failure by the Borrower to pay principal, interest, fees or other amounts when due to the Bank under the Credit Facilities or in respect of any other indebtedness of the Borrower or any of its subsidiaries to any other lender;
2. If any Representation or Warranty proves to be untrue;
3. Material breach of any Applicable Law by the Borrower or any of the Subsidiaries;
4. If the Borrower is in default of any agreement with any other lender that involves borrowings in excess of C\$100,000, which specifically includes the Creditor Compromises (as hereinbefore defined);
5. Failure to comply with the Reporting Requirements or to observe or comply with any positive, negative, financial or other covenant, condition or term as

outlined herein, or in any Security document or underlying agreement delivered pursuant hereto, and such default remains unremedied for a period of ten (10) days;

6. If, in the opinion of the Bank, a material adverse change in the financial condition of the Borrower, or any of its Subsidiaries, to the operation of such parties business or assets has occurred and such default remains unremedied for a period of ten (10) days;
7. If an application is filed, an order is made or a resolution passed, or any other proceeding taken for the winding-up, dissolution or liquidation of the Borrower or any of its subsidiaries and such default remains unremedied for a period of ten (10) days, without prior written consent of the Bank;
8. If proceedings are taken to enforce any security interest in and right to the assets of the Borrower or any subsidiaries having a value in the aggregate greater than 5% of the Borrower's consolidated TNW, excepting proceedings contested in good faith by the Borrower or the designated subsidiary in question and security satisfactory to the Bank having been provided, and such default remains unremedied for a period of ten (10) days, without prior written consent of the Bank;
9. If the Borrower or any of its subsidiaries ceases or threatens to cease to carry on business, or if proceedings are commenced for the suspension of the business of the Borrower or any of its subsidiaries, or if any proceedings are commenced under the *Companies Creditors' Arrangement Act (Canada)* or under the BIA (including a proposal or notice of intention), or if the Borrower or any of its subsidiaries commit or threaten to commit an act of bankruptcy, or if the Borrower or any of its subsidiaries becomes insolvent or bankrupt or makes an unauthorized assignment pursuant to the BIA, or a bankruptcy application is filed or presented against the Borrower or any of its subsidiaries, without prior written consent of the Bank;
10. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets or business of the Borrower or any of its subsidiaries or by a Court or pursuant to any other agreement, without prior written consent of the Bank;
11. If there is a change of ownership or control of the Borrower or any of its Subsidiaries, without prior written consent of the Bank; provided however, that upon prior notice to the Bank the Borrower shall be permitted to complete inter-corporate consolidations or reorganizations of its subsidiaries provided the Borrower continues to indirectly control each of the subsidiaries and the Bank's security position is not negatively impacted;
12. If the Borrower fails to follow the Eligible Business Plan it has provided to the Bank pursuant to the HILLRP in a material way;

13. If a default or event of default occurs pursuant to any of the Security.

PART THIRTEEN- FEES AND EXPENSES:

Arrangement Fee - No new arrangement fee shall be levied by BMO for this "HILLRP Term Sheet."

Cash Management Fee - The Borrower shall pay cash management fees as negotiated and agreed to under the terms of a Cash Management Agreement between the Bank and the Borrower.

Increased Costs, Taxes, etc. - If due to any change in law, regulations, rules or orders or as a result of compliance with any guideline or requirement from any authority which is customary for the Bank to comply with, the Bank incurs or will incur increased costs, the Borrower and its subsidiaries will indemnify the Bank against such increased costs. All loan repayments shall be made free and clear of any present and future taxes, withholdings or other deductions.

Expenses - All legal and other direct out of pocket costs of the Bank incurred in relation to the Borrower and the Guarantors both before and after the date of this Term Sheet and also with respect to preparation of loan documents, arrangement expenses and advertising shall be for the account of the Borrower. The Borrower and its subsidiaries agree to pay and guarantee the payment of all such legal fees and other direct out of pocket costs upon and by virtue of acceptance hereof by the Borrower and the Guarantor.

PART FOURTEEN - GENERAL:

1. **Set Off** - The Bank shall have the right to set off and apply any funds of the Borrower deposited with or held by the Bank from time to time, and any other indebtedness at any time owing to the Borrower by the Bank, against any of the amounts outstanding hereunder from time to time.
2. **Exchange of Information** - The Bank may share any information pertaining to the Borrower and the Guarantors with FCC, MASC and with any other member of the BMO Financial Group.
3. **Governing Law** - This Term Sheet shall be governed and construed in accordance with the laws of the Province of Manitoba and the federal laws of Canada from time to time applicable therein.
4. **No Obligation** - Upon the occurrence of an Event of Default, the Bank shall have no obligation or liability to make any advances hereunder after any remedy period.

5. **Personal Property Security Act Requirement** - The Borrower hereby waives on its behalf and on behalf of all of its subsidiaries, the requirement for the Bank to provide copies of PPSA registrations, verification statements or financing statements undertaken by the Bank.
6. **Time** - Time is of the essence.
7. **Further Assurances** - The Borrower shall do or cause to be done all things and execute or cause to be executed all documents deemed necessary or appropriate by the Bank and its counsel for the purposes of giving full force and effect to the terms, conditions, undertakings and Security granted or to be granted hereunder.
8. **Term Sheet Paramount** - When a contradiction exists between the Security or any other document or agreement between the Bank and the Borrower or any of its Subsidiaries, and this Term Sheet, this Term Sheet will be the operative document. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Term Sheet, such additional rights shall not constitute a conflict or inconsistency.
9. **Assignment** - No rights or obligations of the Borrower or any of its subsidiaries hereunder and no amount of the Credit Facilities may be transferred or assigned by the Borrower or any of its subsidiaries, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding on any of the Facilities immediately due and payable at the option of the Bank and releasing the Bank from any obligations of making further advances hereunder.
10. **Authorization and Consent** - The Bank and Borrower must jointly agree to reproduction, disclosure and use by the Bank of information about the Borrower (including, without limitation, the Borrower's name and any identifying logos) and the transaction(s) (the "Financing") herein contemplated (all such information being called the "Information") to enable the Bank to publish promotional "tombstones" and other forms of notices of the Financings in any manner and in any media (including, without limitation, brochures). The Bank and Borrower must jointly agree: whether to use the Information; that no compensation will be payable by the Bank resulting therefrom; and that the Bank shall have no liability whatsoever to the Borrower or any of its employees, officers, directors, affiliates or shareholders in obtaining and using the Information in accordance with this paragraph.
11. **Acknowledgement** - The Borrower and the Guarantors acknowledge that, the Facilities contained herein and all accounts held with the Bank in the

name of the Borrower, are for use by the Borrower and will be used for the Borrower's business purposes only.

12. **Preamble** - The preamble of this Term Sheet forms an integral part hereof.
13. **Security Confirmation** - The Borrower and each Guarantor hereby confirms, acknowledges and agrees that in respect of all guarantees and security heretofore or hereafter delivered by such Borrower or Guarantor to the Bank respecting its own and/or the debts and liabilities the Borrower and/or any other Guarantor, each such guarantee and all such security extends to, and applies to, all loan and credit facilities and other obligations referred to in this Term Sheet, and each such guarantee is secured by any and all security documentation provided by such Borrower or Guarantor and now held by the Bank, or that in the future is provided by such Borrower or Guarantor to the Bank.
14. **Accounting Terms (GAAP / IFRS)** - Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. All calculations of the components of financial information for the purposes of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence as at the date of this Term Sheet and used in preparation of the consolidated financial statements of the Borrower. Upon adoption by the Borrower of International Financial Reporting Standards (IFRS), or in event of a change in GAAP, the Borrower and the Bank shall negotiate in good faith to revise (if appropriate) such ratios and covenants to give effect to the intention of the parties under this Term Sheet at the closing date, and any new ratio or covenant shall be subject to the approval of the Bank. In the event that such a negotiation is unsuccessful, all calculations thereafter made for the purpose of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence at the closing date.
15. **Notices** - All notices, requests and demands and other communications hereunder shall be in writing and shall be furnished to the parties at the addresses listed below. Notices shall be given by personal delivery or transmitted by telecopier and shall be deemed to be received on the business day of receipt (unless such delivery or transmission is received after 2:00 p.m. Winnipeg time, in which case it shall be deemed to have been received on the following business day):

To the Borrower and Guarantors:

The Puratone Corporation
Box 460
Niverville, MB R0A 1E0

To the Bank:

Bank of Montreal
First Canadian Place
100 King Street West, 7th Floor

Toronto, Ontario, M5X 1A1

Attn: Larry Johnson, CFO
Fax: (204) 388-0037

Attn: Greg Fedoryn
Fax: (416) 643-1653

The Borrower hereby agrees to forthwith provide the Bank with written notice of a change in name or address of itself, the Guarantors or any of its subsidiaries.

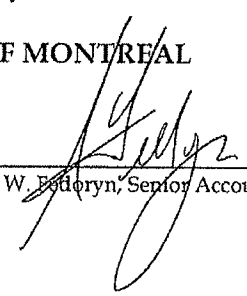
*PART FIFTEEN (Offer and Acceptance) appears on the next page.
The remainder of this page is intentionally left plan.*

PART FIFTEEN - OFFER AND ACCEPTANCE:

The terms and conditions outlined in this Term Sheet are open for acceptance until **March 30, 2012** at 5:00 p.m. EST, after which these terms and conditions (if not accepted) are null and void. Kindly acknowledge your acceptance by signing and returning this Term Sheet.

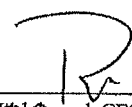
Yours truly,

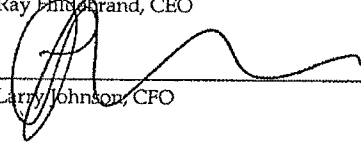
BANK OF MONTREAL

Per: 
Greg W. Erdryn, Senior Account Manager

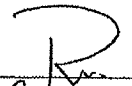
Accepted this 23RD day of March 2012.

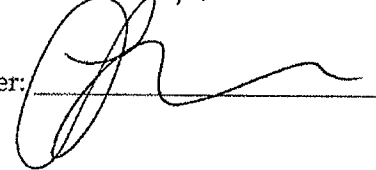
THE PURATONE CORPORATION

Per: 
Ray Hildebrand, CEO

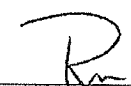
Per: 
Larry Johnson, CFO

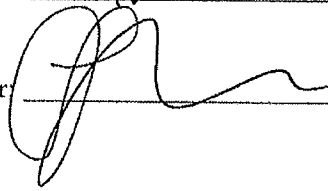
NIVERVILLE SWINE BREEDERS LTD.

Per: 

Per: 

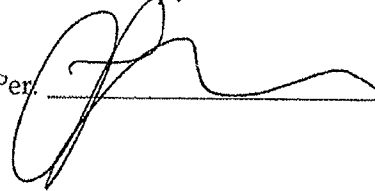
PEMBINA VALLEY PIGS LTD.

Per: 

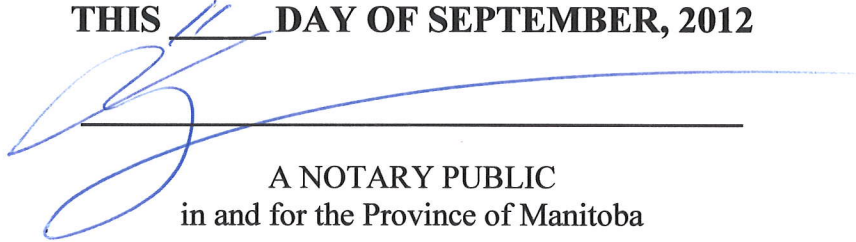
Per: 

FOREST LANE FARM LTD.

Per: 

Per: 

**THIS IS EXHIBIT "6" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



A NOTARY PUBLIC
in and for the Province of Manitoba



To the BANK OF MONTREAL:

IN CONSIDERATION of the Bank of Montreal (hereinafter the "Bank") dealing with The Puratone Corporation herein referred to as the Customer, the undersigned hereby jointly and severally guarantee(s) payment to the Bank of all present and future debts and liabilities direct or indirect or otherwise, now or at any time and from time to time hereafter due or owing to the Bank from or by the Customer or by any successor corporation of the Customer and whether incurred by the Customer alone or jointly with any other corporation, person or persons, or otherwise howsoever; provided, however, that the liability of the undersigned is UNLIMITED with interest thereon at a rate of five (5.0%) per cent per annum above the Bank's prime interest rate in effect from time to time, from date of demand for payment of same. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock or constitution of the Customer, shall in any way affect the liability of the undersigned or any of them, either with respect to transactions occurring before or after any such change, and the Bank shall not be concerned to see or inquire into the powers of the Customer or any of its directors or other agents, acting or purporting to act on its behalf, and moneys, advances, renewals or credits, in fact borrowed or obtained from the Bank in professed exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of moneys, advances, renewals or credits shall be in excess of the powers of the Customer or of its directors or other agents aforesaid, or be in any way irregular, defective or informal. If the Customer shall amalgamate with one or more other corporations, this guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation.

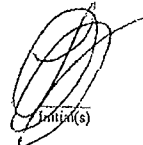
IT IS FURTHER AGREED that the Bank, without consent of the undersigned and without exonerating in whole or in part the undersigned, or any of them (if more than one), may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with the Customer and all other persons (including the undersigned, or any one of them, and any other guarantor) and securities, as the Bank may see fit, and that all dividends, compositions, and moneys received by the Bank from the Customer from any other persons or estates capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank shall have received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of the sums of money due to the Bank from the Customer either alone or in conjunction with any other corporation, person or persons, or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek any recourse against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every debts and liabilities hereby guaranteed. The undersigned and each of them (if more than one) hereby renounces the benefits of discussion and division. The undersigned and each of them (if more than one) renounces to claim against, or set up against, the Bank any right which the undersigned or each of them (if more than one) may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned, or any one or more of them (if more than one), or the respective executors, administrators or legal representatives of any of the undersigned, may determine his or their further liability under this continuing guarantee by ninety days' notice in writing to be given to the Bank, and the liability hereunder of the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall continue until the expiration of ninety days after the giving of such notice, notwithstanding the death or insanity of any of the undersigned, and after the expiry of such notice the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall remain liable under the guarantee in respect of any sum or sums of money owing to the Bank as aforesaid on the date such notice expired and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date maturing thereafter, but such determination in any manner of further liability of any one or more of the undersigned or of the respective executors, administrators or legal representatives of any of the undersigned shall not prevent the continuance of the liability hereunder of any others or other of the undersigned or of their or his respective executors, administrators, or legal representatives. If after such determination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this guarantee shall continue after the determination as if such payment has not been made. Every Certificate issued under the hand of the Manager or Acting Manager of the Bank for the time being at the Branch where the Customer's account shall be kept, purporting to show the amount at any particular time due and payable to the Bank, and covered by this guarantee, shall be received as conclusive evidence as against the undersigned and every one of them (if more than one), and his or their respective executors, administrators and legal representatives, that such amount is at such time so due and payable to the Bank and is covered hereby.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Manitoba and for the purpose of legal proceedings this contract shall be deemed to have been made in the said Province and to be performed there, and the Courts of that Province shall have jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the Courts of any other Province or country.

NOTWITHSTANDING the provisions of any Statute relating to the rate of interest payable by debtors, this contract shall remain in full force and effect whatever the rate of interest received or demanded by the Bank.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned and each of them are hereby postponed to the debts and liabilities of the Customer to the Bank and all moneys received by any of the undersigned or their or his assigns thereon shall be received as Trustees for the Bank and shall be paid over to the Bank.


Initial(s)

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time guarantee is given

Director(s)
(s)

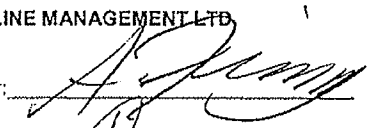
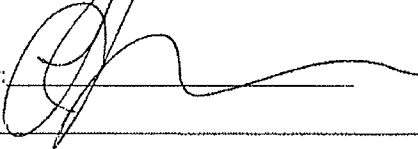
THE UNDERSIGNED and each of them (if more than one) acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned or any of them (if more than one) affecting the liability of the undersigned or any of them (if more than one) under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other Guarantees held or which may hereafter be held by said Bank. The present Guarantee shall remain in full force and effect until all debts and obligation hereby secured have been irrevocably and indefeasibly paid and released.

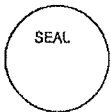
appreciated in
the Province
of Québec
only.

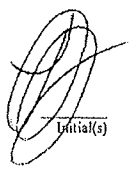
It is the express wish of the Parties that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

AS WITNESS the hands and seals of the undersigned, at Niverville, Manitoba this 25th day of May, 2006.

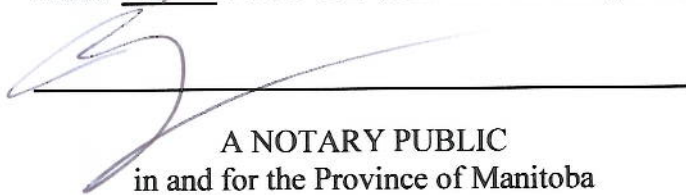
If executed
by a
company
with a
corporate
seal, the
corporate
seal should
be affixed.

WITNESS	SIGNATURE OF GUARANTOR
 	K LINE MANAGEMENT LTD Per:  Per: 




Initial(s)

**THIS IS EXHIBIT "7" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**


A NOTARY PUBLIC
in and for the Province of Manitoba

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with The Puratone Corporation (the "Customer"), the undersigned hereby jointly and severally guarantee(s) payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned, or, if there is more than one undersigned, of each of the undersigned, under this Guarantee, is limited to the aggregate amount of Unlimited Dollars (\$Unlimited) plus interest thereon at a rate of 5.00% per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned, or any of them, with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, or any of them (if more than one), may grant time, renewals, extensions, indulgences, releases and discharges to, may or may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including the undersigned, any one of them, and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person, or otherwise, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned and each of them (if more than one) hereby renounces the benefits of discussion and division. The undersigned and each of them (if more than one) renounces claiming or setting up against the Bank any right which the undersigned or any of them (if more than one) may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned, or any one of them (if more than one), may terminate the further liability of such terminating party, or parties, under this continuing Guarantee by providing ninety days' prior written notice to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of any of the undersigned. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by any one or more of the undersigned or of the respective executors, administrators or legal representatives of any of the undersigned shall not terminate liability hereunder of any other of the undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned and every one of them (if more than one), that such amount is at such time so due and payable to the Bank and is guaranteed hereby.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination (or a change in it) of the office or duties of the undersigned or in any relationship between the undersigned and the Customer.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Manitoba and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province

This clause applies to the Province of Quebec only

Insert name of the Customer in the blank space

The Customer's account with the Bank is kept at the time the Guarantee is given



shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other of the undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned and each of them (if more than one) are hereby assigned to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to any of the undersigned or its, his, hers or their assigns shall be received in trust for the Bank and shall immediately be paid over to the Bank.

Guarantor(s) Initial(s)

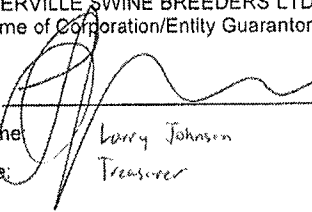
THE UNDERSIGNED and each of them (if more than one) acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned or any of them (if more than one) affecting the liability of the undersigned or any of them (if more than one) under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED and each of them (if more than one) represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

This clause applies to the Province of Québec only.

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

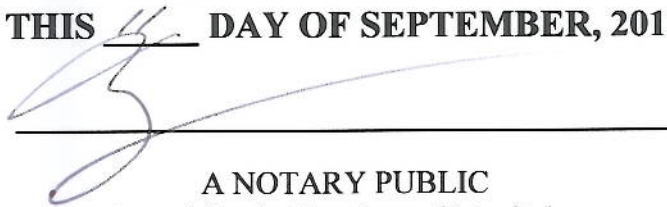
DATED as of January 26th, 2009.

WITNESS(ES) TO SIGNATURES OF INDIVIDUAL(S)	SIGNATURE OF GUARANTOR(S)
<p>Witness to sign for each individual (i.e. natural person) guarantor who signs.</p> <p>_____ Name:</p> <p>_____ Name:</p>	<p>NIVERVILLE SWINE BREEDERS LTD. (Name of Corporation/Entity Guarantor)</p> <p>By: </p> <p>Name: <u>Harry Johnson</u></p> <p>Title: <u>Treasurer</u></p> <p>_____ (Individual Guarantor)</p> <p>Name:</p> <p>_____ (Individual Guarantor)</p> <p>Name:</p>



 Initial(s)

**THIS IS EXHIBIT "8" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 14 DAY OF SEPTEMBER, 2012**



**A NOTARY PUBLIC
in and for the Province of Manitoba**



SECURITY AGREEMENT

To Bank of Montreal:

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with the Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as a general and continuing security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank, including future advances or other value to the Debtor by the Bank whether or not such future advances or value are given pursuant to a commitment, and for any present and future indebtedness of any person, firm or corporation whose indebtedness to the Bank is guaranteed at any time by the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations").

List all premises and asset locations, by schedule, if necessary.

Attach a schedule, if equipment is to be listed.

1. The Debtor hereby represents and warrants to the Bank that it has assets only in the provinces of Alberta and Manitoba.

2. The Debtor hereby

(a) grants, bargains, assigns, transfers, sets over, mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment, including without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in which the Debtor has an interest and any equipment specifically listed or otherwise described in any Schedule hereto, (all of which is hereinafter collectively called the "Equipment"); and

(b) grants, bargains, assigns, transfers, sets over, mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service (all of which is hereinafter collectively called the "Inventory"); and

(c) assigns, transfers and sets over to the Bank, and grants to the Bank a security interest in, all its present and future debts, including, and without limiting the generality of the foregoing, accounts, contract rights, claims, monies and choses in action of every nature now due or hereafter to become due and owing to or owned by the Debtor (all of which is hereinafter collectively called the "Receivables"); and

(d) assigns, transfers and sets over to the Bank, and grants to the Bank a security interest in, all its present and future intangibles, including, without limiting the generality of the foregoing, all chattel paper, goodwill, patents, trademarks, copyrights, warehouse receipts, bills of lading, shares, warrants, bonds, debentures, debenture stock, bills, notes, instruments, writings, and other documents or industrial paper of every kind and nature, including without limitation client lists, client records and client files, now or hereafter owned or acquired or re-acquired by the Debtor or in which the Debtor has an interest (all of which is hereinafter collectively call the "Intangibles"); and

(e) grants, bargains, assigns, transfers, sets over, mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all personal property in any form or fixtures derived directly or indirectly from any dealing with the personal property referred to in this clause 2, and includes payment representing indemnity or compensation for loss or damage to the personal property referred to in this clause 2 (all of which is hereinafter collectively called the "Proceeds"); and

(f) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, movable or immovable, of whatsoever nature and kind, both present and future, other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and the exceptions hereinafter contained, (all of which is hereinafter collectively call the "Undertaking").

For the purposes of this Security Agreement, the Equipment, Inventory, Receivables, Intangibles, Proceeds, Undertaking and other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral".

3. The Collateral now situate in the Province of Manitoba is on the date hereof primarily situated or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor.

The Collateral may also be located at other places in Manitoba while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place in Manitoba when on lease or consignment to any lessee or consignee from the Debtor.

The Debtor covenants with the Bank not to remove the Collateral or any part thereof from the locations set out in clause 1 hereof, except as allowed for in the preceding paragraph and for sales in the ordinary course of business, without the prior written consent of the Bank.

4. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise; and if the amounts of any of the Receivables or Intangibles referred to in sub-clauses (c) or (d) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank; provided however that the property and assets assigned or subjected to a mortgage, charge or security interest by sub-clauses (b) and (e) of clause 2 above may be sold or disposed of in the ordinary course of business, and for the purpose of carrying on the same, for value received and then only upon the express condition that on or before delivery to a third party the Debtor shall secure full settlement of the entire purchase price for the Collateral so sold in cash, notes, chattel paper and other property.

5. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be expected out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term of years shall direct.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, financing statements, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the Collateral hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement. The Debtor hereby grants to the Bank the right to perfect by possession, repossession or seizure the security interests granted hereunder in any part of the Collateral.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor covenants with the Bank to maintain accurate books and records of the Collateral and the Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of Inventory and Equipment and lists of Receivables showing the letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor hereby undertakes to:

(a) Promptly pay the Obligations as they become due or are demanded;

(b) Maintain the Collateral in good condition and repair and to provide adequate storage facilities to protect the Collateral and not to permit the value of the Collateral to be impaired;

(c) Not, without the consent in writing of the Bank, create any liens upon, or assign or transfer as security or pledge or hypothecate as security or create a Security interest in or in any way encumber the Collateral or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest, mortgage, hypothec, charge, lien or encumbrance created by this Security Agreement, save that the Debtor may create a purchase money security interest in Collateral hereafter acquired but only if such interest is perfected and notification thereof is given to the Bank pursuant to the provisions of The Personal Property Security Act of Manitoba;

(d) Defend the title to the Collateral against all persons, firms or bodies corporate claiming any interest in the Collateral or any part thereof;

(e) Pay all taxes, assessments, and levies or charges from any source which may be assessed against the Collateral or any part thereof or which may result in a lien against the Collateral or any part thereof and shall insure the Collateral for loss or destruction by fire, wind, storm, and such other perils stipulated by the Bank in an amount not less than the full insurable value of the Collateral or the amount from time to time hereby secured, which is the lesser, with appropriate endorsement to secure the Bank as its interest shall appear. In the event the Debtor shall fail to provide adequate insurance when required to do so or to pay any of the said taxes, assessments, levies or charges the Bank may, without notice, at its option, but without any obligation or liability so to do, procure insurance and pay taxes or other charges and add said sums to the balance of the Obligations hereby secured or claim from the Debtor immediate reimbursement of such sums;

(f) Furnish such financial and operating statements of the Debtor to the Bank as may be requested by the Bank;

(g) Duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;

(h) Give immediate notice to the Bank in the event of a change of the corporate or trade name of the Debtor or any proprietor or partner thereof.

10. The Debtor represents and warrants that:

(a) At the time the Debtor pledges, sells, assigns or transfers to the Bank any instrument, document of title, security, chattel paper or other property, or any interest therein, the Debtor shall be the lawful owner thereof and shall have good right to pledge, sell, assign or transfer the same, none of such property shall have been pledged, sold, assigned or transferred to any person other than the Bank, or in any way encumbered, and the Debtor shall defend the same against all claims and demands of all persons;

(b) If the Debtor is a corporation, it is a corporation duly organized and existing under the laws of Alberta and is duly qualified and in good standing in every province or territory where it is doing business;

(c) If the Debtor is a corporation, the execution, delivery and performance hereof are within the Debtor's corporate powers, have been duly authorized, are not in contravention of any law or the terms of the Debtor's Charter, By-Laws or other incorporation document, or of any indenture, agreements or undertakings to which the Debtor is a party or by which it is bound.

11. The Debtor shall be in default under this Security Agreement upon the occurrence of any one to the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be bona fide opposed by the Debtor;

(e) the Debtor shall cease to carry on business or threaten to cease to carry on business;

(f) the Bank believes, in good faith, that the prospect of payment or performance by the Debtor is impaired or that the Collateral or any part thereof is in danger of being lost, damaged or confiscated.

12. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and the Bank may demand the Debtor to gather the Collateral in a named location or locations and the Bank may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so

appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor or the Collateral. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, subject to Part 6 of the Manitoba Personal Property Security Act, the Bank may enter upon and lease or sell the whole or any part or parts of the Collateral and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality, all of which are hereby waived by the Debtor, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reverse bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

13. The Debtor hereby covenants, promises and agrees to and with the Bank that in case the sum of money realized upon any disposition of the Collateral referred to herein shall not be sufficient to pay the whole of the Obligations due at the time of such disposition, the Debtor shall and will forthwith pay or cause to be paid to the Bank an amount equal to the deficiency between the Obligations and the sum of money realized upon the said disposition of the Collateral provided for herein.

14. Notwithstanding any other section or provision of this Security Agreement, the Bank may collect, realize, sell or otherwise deal with Receivables or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor (except in the case of a sale and then subject to provisions of Part 6 of the Personal Property Security Act of Manitoba). The Bank shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Receivables or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving a right of the Bank, the Debtor or any other person, firm or corporation in respect of the same. All monies collected or received by the Debtor in respect of the Receivables shall be received as trustee for the Bank and shall be forthwith paid over to the Bank. All monies collected or received by the Bank in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Bank seems best or in the discretion of the Bank may be realized to the Debtor, all without prejudice to the liability of the Debtor or the Bank's right to hold and realize the security.

15. Any and all payments made in respect of the Obligations from time to time and money realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

16. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in preparation, perfection and enforcement of this Security Agreement and the payment of such expenses shall be secured hereby.

17. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

18. The Debtor warrants and acknowledges that value has been given and that the Debtor has rights in the Collateral and that the Debtor and the Bank have not agreed to postpone the time of attachment of the security interest granted in this Security Agreement.

19. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank.

20. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any of the Obligations of the Debtor to the Bank.

21. The Bank shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payments of the same or for the purpose of preserving any rights of the Bank, the Debtor or any other person, firm or body corporate in respect of same.

22. The Bank or any assignee of this Security Agreement may, without further notice to the Debtor, at any time assign this Security Agreement and the security interest evidenced thereby. The Debtor expressly agrees that, with respect to such an assignment, re-assignment or transfer of this Security Agreement, the assignee or transferee shall have all of the Bank's rights and remedies under this Security Agreement and the Debtor will not assert as a defense, counterclaim, set-off, cross-complaint, or otherwise any claim, known or unknown, which he now has or hereafter acquires against the Bank in any action commenced by an assignee or transferee of this Security Agreement and will pay the Obligations, secured hereby to the assignee or transferee at its place of business as said Obligations become due.

23. The Debtor hereby acknowledges receiving a copy of this Security Agreement.

24. The Debtor hereby waives the right to receive any financing statement or financing change statement registered by the Bank and any confirmation of registration or verification statement issued.

25. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

26. In construing this Security Agreement, terms herein shall have the same meaning as defined in The Personal Property Security Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations, or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the 25th day of May, 2006.

Insert date of execution

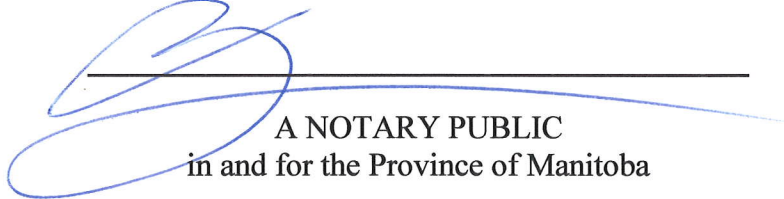
To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if the corporation has a corporate seal, affix corporate seal; Debtors name should be typed.

THE PURATONE CORPORATION

Per: _____

Per: _____

**THIS IS EXHIBIT "9" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



A NOTARY PUBLIC
in and for the Province of Manitoba

SECURITY AGREEMENT

To Bank of Montreal:

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with the Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as a general and continuing security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank, including future advances or other value to the Debtor by the Bank whether or not such future advances or value are given pursuant to a commitment, and for any present and future indebtedness of any person, firm or corporation whose indebtedness to the Bank is guaranteed at any time by the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations").

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Manitoba:

295 Main Street, Box 460, Niverville, Manitoba R0A 1E0
and at (A) NW ¼ OF SEC 6-6-4 EPM EXC ELY 66 FEET; (B) N 1/2 OF NW 1/4 10-7-3 EPM EXC PUBLIC ROAD PLAN 18416 WLTO; and (C) WLY 1320 FEET OF SW 1/4 12-7-3 EPM EXC NLY 1320 FEET

Attach a schedule, if equipment is to be listed

2. The Debtor hereby

(a) grants, bargains, assigns, transfers, sets over, mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment, including without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in which the Debtor has an interest and any equipment specifically listed or otherwise described in any Schedule hereto, (all of which is hereinafter collectively called the "Equipment"); and

(b) grants, bargains, assigns, transfers, sets over, mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service (all of which is hereinafter collectively called the "Inventory"); and

(c) assigns, transfers and sets over to the Bank, and grants to the Bank a security interest in, all its present and future debts, including, and without limiting the generality of the foregoing, accounts, contract rights, claims, monies and choses in action of every nature now due or hereafter to become due and owing to or owned by the Debtor (all of which is hereinafter collectively called the "Receivables"); and

(d) assigns, transfers and sets over to the Bank, and grants to the Bank a security interest in, all its present and future intangibles, including, without limiting the generality of the foregoing, all chattel paper, goodwill, patents, trademarks, copyrights, warehouse receipts, bills of lading, shares, warrants, bonds, debentures, debenture stock, bills, notes, instruments, writings, and other documents or industrial paper of every kind and nature, including without limitation client lists, client records and client files, now or hereafter owned or acquired or re-acquired by the Debtor or in which the Debtor has an interest (all of which is hereinafter collectively call the "Intangibles"); and

(e) grants, bargains, assigns, transfers, sets over, mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all personal property in any form or fixtures derived directly or indirectly from any dealing with the personal property referred to in this clause 2, and includes payment representing indemnity or compensation for loss or damage to the personal property referred to in this clause 2 (all of which is hereinafter collectively called the "Proceeds"); and

(f) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, movable or immovable, of whatsoever nature and kind, both present and future, other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and the exceptions hereinafter contained, (all of which is hereinafter collectively call the "Undertaking").

For the purposes of this Security Agreement, the Equipment, Inventory, Receivables, Intangibles, Proceeds,

Undertaking and other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral".

3. The Collateral now situate in the Province of Manitoba is on the date hereof primarily situated or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places in Manitoba while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place in Manitoba when on lease or consignment to any lessee or consignee from the Debtor.

The Debtor covenants with the Bank not to remove the Collateral or any part thereof from the locations set out in clause 1 hereof, except as allowed for in the preceding paragraph and for sales in the ordinary course of business, without the prior written consent of the Bank.

4. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise; and if the amounts of any of the Receivables or Intangibles referred to in sub-clauses (c) or (d) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank; provided however that the property and assets assigned or subjected to a mortgage, charge or security interest by sub-clauses (b) and (e) of clause 2 above may be sold or disposed of in the ordinary course of business, and for the purpose of carrying on the same, for value received and then only upon the express condition that on or before delivery to a third party the Debtor shall secure full settlement of the entire purchase price for the Collateral so sold in cash, notes, chattel paper and other property.

5. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be expected out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term of years shall direct.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, financing statements, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the Collateral hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement. The Debtor hereby grants to the Bank the right to perfect by possession, repossession or seizure the security interests granted hereunder in any part of the Collateral.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor covenants with the Bank to maintain accurate books and records of the Collateral and the Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of Inventory and Equipment and lists of Receivables showing the letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor hereby undertakes to:

(a) Promptly pay the Obligations as they become due or are demanded;

(b) Maintain the Collateral in good condition and repair and to provide adequate storage facilities to protect the Collateral and not to permit the value of the Collateral to be impaired;

(c) Not, without the consent in writing of the Bank, create any liens upon, or assign or transfer as security or pledge or hypothecate as security or create a Security interest in or in any way encumber the Collateral or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest, mortgage, hypothec, charge, lien or encumbrance created by this Security Agreement, save that the Debtor may create a purchase money security interest in Collateral hereafter acquired but only if such interest is perfected and notification thereof is given to the Bank pursuant to the provisions of The Personal Property Security Act of Manitoba;

(d) Defend the title to the Collateral against all persons, firms or bodies corporate claiming any interest in the Collateral or any part thereof;

(e) Pay all taxes, assessments, and levies or charges from any source which may be assessed against the Collateral or any part thereof or which may result in a lien against the Collateral or any part thereof and shall insure the Collateral for loss or destruction by fire, wind, storm, and such other perils stipulated by the Bank in an amount not less than the full insurable value of the Collateral or the amount from time to time hereby secured, which is the lesser, with appropriate endorsement to secure the Bank as its interest shall appear. In the event the Debtor shall fail to provide adequate insurance when required to do so or to pay any of the said taxes, assessments, levies or charges the Bank may, without notice, at its option, but without any obligation or liability so to do, procure insurance and pay taxes or other charges and add said sums to the balance of the Obligations hereby secured or claim from the Debtor immediate reimbursement of such sums;

(f) Furnish such financial and operating statements of the Debtor to the Bank as may be requested by the Bank;

(g) Duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;

(h) Give immediate notice to the Bank in the event of a change of the corporate or trade name of the Debtor or any proprietor or partner thereof.

10. The Debtor represents and warrants that:

(a) At the time the Debtor pledges, sells, assigns or transfers to the Bank any instrument, document of title, security, chattel paper or other property, or any interest therein, the Debtor shall be the lawful owner thereof and shall have good right to pledge, sell, assign or transfer the same, none of such property shall have been pledged, sold, assigned or transferred to any person other than the Bank, or in any way encumbered, and the Debtor shall defend the same against all claims and demands of all persons;

(b) If the Debtor is a corporation, it is a corporation duly organized and existing under the laws of Manitoba and is duly qualified and in good standing in every province or territory where it is doing business;

(c) If the Debtor is a corporation, the execution, delivery and performance hereof are within the Debtor's corporate powers, have been duly authorized, are not in contravention of any law or the terms of the Debtor's Charter, By-Laws or other incorporation document, or of any indenture, agreements or undertakings to which the Debtor is a party or by which it is bound.

11. The Debtor shall be in default under this Security Agreement upon the occurrence of any one to the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be bona fide opposed by the Debtor;

(e) the Debtor shall cease to carry on business or threaten to cease to carry on business;

(f) the Bank believes, in good faith, that the prospect of payment or performance by the Debtor is impaired or that the Collateral or any part thereof is in danger of being lost, damaged or confiscated.

12. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and the Bank may demand the Debtor to gather the Collateral in a named location or locations and the Bank may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor or the Collateral. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, subject to Part 6 of the Manitoba Personal Property Security Act, the Bank may enter upon and lease or sell the whole or any part or parts of the Collateral and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality, all of which are hereby waived by the Debtor, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reverse bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

13. The Debtor hereby covenants, promises and agrees to and with the Bank that in case the sum of money realized upon any disposition of the Collateral referred to herein shall not be sufficient to pay the whole of the Obligations due at the time of such disposition, the Debtor shall and will forthwith pay or cause to be paid to the Bank an amount equal to the deficiency between the Obligations and the sum of money realized upon the said disposition of the Collateral provided for herein.

14. Notwithstanding any other section or provision of this Security Agreement, the Bank may collect, realize, sell or otherwise deal with Receivables or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor (except in the case of a sale and then subject to provisions of Part 6 of the Personal Property Security Act of Manitoba). The Bank shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Receivables or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving a right of the Bank, the Debtor or any other person, firm or corporation in respect of the same. All monies collected or received by the Debtor in respect of the Receivables shall be received as trustee for the Bank and shall be forthwith paid over to the Bank. All monies collected or received by the Bank in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Bank seems best or in the discretion of the Bank may be realized to the Debtor, all without prejudice to the liability of the Debtor or the Bank's right to hold and realize the security.

15. Any and all payments made in respect of the Obligations from time to time and money realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

16. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in preparation, perfection and enforcement of this Security Agreement and the payment of such expenses shall be secured hereby.

17. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

18. The Debtor warrants and acknowledges that value has been given and that the Debtor has rights in the Collateral and that the Debtor and the Bank have not agreed to postpone the time of attachment of the security interest granted in this Security Agreement.

19. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank.

20. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any of the Obligations of the Debtor to the Bank.

21. The Bank shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payments of the same or for the purpose of preserving any rights of the Bank, the Debtor or any other person, firm or body corporate in respect of same.

22. The Bank or any assignee of this Security Agreement may, without further notice to the Debtor, at any time assign this Security Agreement and the security interest evidenced thereby. The Debtor expressly agrees that, with respect to such an assignment, re-assignment or transfer of this Security Agreement, the assignee or transferee shall have all of the Bank's rights and remedies under this Security Agreement and the Debtor will not assert as a defense, counterclaim, set-off, cross-complaint, or otherwise any claim, known or unknown, which he now has or hereafter acquires against the Bank in any action commenced by an assignee or transferee of this Security Agreement and will pay the Obligations, secured hereby to the assignee or transferee at its place of business as said Obligations become due.

23. The Debtor hereby acknowledges receiving a copy of this Security Agreement.

24. The Debtor hereby waives the right to receive any financing statement or financing change statement registered by the Bank and any confirmation of registration or verification statement issued.

25. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

26. In construing this Security Agreement, terms herein shall have the same meaning as defined in The Personal Property Security Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations, or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the 26th day of January, 2009 (year).

Insert date of execution

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if the corporation has a corporate seal, affix corporate seal; Debtors name should be typed

Niverville Swine Breeders Ltd.

per: 

Larry Johnson
Treasurer

per: _____