
**THIS IS EXHIBIT "10" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 21 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 province of 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.

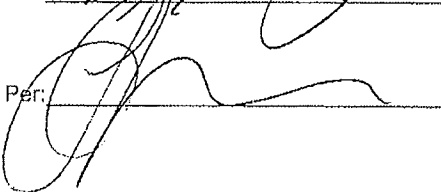
IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the 25th day of May, 2006.

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.

K LINE MANAGEMENT LTD.

Per: 

Per: 

**THIS IS EXHIBIT "11" 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**



Credit Agreement

PROTECTED

February 12, 2010

Customer number(s): 100062704 and 100030156

The Puratone Corporation
Pembina Valley Pigs Ltd.
P.O. Box 460
Niverville, Manitoba
R0A 1E0

Attention: Mr. Ray Hildebrand and Mr. Larry Johnson

Dear Sirs:

Farm Credit Canada ("FCC" or "us" or "we" or "our") is pleased to confirm to The Puratone Corporation and Pembina Valley Pigs Ltd. ("you" or "your" or the "Borrower") the restructuring of your present loans totaling approx. \$43,000,000.

The Loans are subject to the terms and conditions set out in this credit agreement and the attached Schedules (collectively, the "Credit Agreement" or "Agreement"). If a conflict arises between any clause of this Agreement and the attached Schedules, the information in the body of this Agreement shall prevail over the information in the attached Schedules.

This Agreement replaces all previous agreements and any amendments thereto. However, all security granted in respect of the existing loans shall continue to secure not only the existing loans but all future loans including the loans contemplated by this Credit Agreement.

The Loans between you and us will be governed by the requirements of this Credit Agreement. If a conflict arises between any clause of this Credit Agreement and any previous Loan Agreement, this Credit Agreement will prevail.

During the term of this Credit Agreement, and at all times thereafter none of The Puratone Corporation, Pembina Valley Pigs Ltd. and their respective officers, directors, shareholders or employees shall in any manner, either directly or indirectly, divulge, disclose or communicate to any person or entity (other than their respective counsel, other professional advisors or lenders) any information of any kind concerning any matters affecting or relating to the terms or provisions of this Credit Agreement.

Sources and uses:

Table with 4 columns: Sources, Amount, Uses, Amount. Rows include FCC Hog Industry Loan Loss Reserve Program (HILLRP) loan, FCC term loan, Bank of Montreal (BMO) HILLRP loan, BMO line of credit, Agristability TAP payment, Agristability Payment, Sale of Niverville Farms 2000, and Total.

1. Loan information

1.1 Loan details

(a) New Loan number: 385187
 Borrower(s): The Puratone Corporation and Pembina Valley Pigs Ltd.

	Draw 1
Principal amount	\$7,000,000
Loan type	Real Property Loan
Interest type	Variable
Product type	Variable Rate – HILLRP
Term	5 Years 0 Months
Amortization Period	13 Years 0 Months
Amount of Payment	Interest only payments from March 1, 2010, and then \$58,352.08 blended payments starting March 1, 2012
Interest rate (subject to Interest Rate Guarantee provisions below)	Variable Mortgage Rate (currently 3.25%) plus 1.0%
Interest Adjustment Date	March 1, 2010
Interest Rate Product	Variable Mortgage Rate
Type of Payment	Interest only followed by blended payments
Payment Frequency	Monthly
First Principal Payment Date	March 1, 2012
Balance Due Date	February 1, 2015
Loan Approval Expiry date	March 31, 2010
50% disbursement date	N/A
100% disbursement date	N/A

(1) Additional Terms of FCC Term Loan Restructure (including Performance Clause)

(A) This loan will be subject to the terms allowed under the HILLRP. The loan will be set up with a maximum 24 months of interest only monthly payments, followed by monthly blended principal and interest payments amortized over the remaining 13 years. This loan will be contingent upon (i) a restructure of all other existing FCC loans under a separate loan; and (ii) a restructure of the existing BMO debt outstanding, including new level of operating funds made available to The Puratone Corporation, all acceptable to FCC. The interest rate on the \$7,000,000 loan will be prime plus 2% on a variable term rate.

(b) New Loan number: 385186
 (c) Borrower(s): The Puratone Corporation and Pembina Valley Pigs Ltd.

	Draw 1	Draw 2	Draw 3
Principal amount	\$12,000,000.00	\$7,277,088.23	\$16,722,911.77
Loan type	Real Property Loan	Real Property Loan	Real Property Loan
Interest type	Variable	Variable	2 Year Fixed
Product type	Open Variable Mortgage Rate	Variable Mortgage Rate	Fixed Rate
Term	2 Years 0 Months	2 Years 0 Months	2 Years 0 Months
Amortization Period	14 Years 0 Months	14 Years 0 Months	14 Years 0 Months
Amount of Payment	Interest only payments from March 1, 2010, and then \$85,213.33 blended payments starting March 1, 2011	Interest only payments from March 1, 2010, and then \$51,675.41 blended payments starting March 1, 2011	Interest only payments from March 1, 2010, and then \$150,201.12 blended payments starting March 1, 2011
Interest rate (subject to Interest Rate Guarantee provisions below)	Variable Mortgage Rate (currently 3.25%) minus 0.65%	Variable Mortgage Rate (currently 3.25%) minus 0.65%	6.40%
Interest Adjustment Date	March 1, 2010	March 1, 2010	March 1, 2010

Interest Rate Product	Open Variable Mortgage Rate	Variable Mortgage Rate	2 Year Fixed
Type of Payment	Interest only followed by blended payments	Interest only followed by blended payments	Interest only followed by blended payments
Payment Frequency	Monthly	Monthly	Monthly
First Principal Payment Date	March 1, 2011	March 1, 2011	March 1, 2011
Balance Due Date	February 1, 2012	February 1, 2012	February 1, 2012
Loan Approval Expiry date	June 20, 2010	June 20, 2010	June 20, 2010
50% disbursement date	N/A	N/A	N/A
100% disbursement date	N/A	N/A	N/A

(1) Additional Terms of FCC Term Loan Restructure (Including Performance Clause)

- (A) FCC term debt of \$36,000,000 to be re-amortized over 15 years. From loan payments and sale of feed mills and non-essential assets, debts to be reduced by a minimum of 30% of \$36,000,000 by year 8, 60% of \$36,000,000 retired by year 12 and 100% of total remaining debt retired by year 15
- (B) FCC will defer principal payments on \$36,000,000 for first 12 months. Full principal payments will resume thereafter.
- (C) FCC agrees to reduce the interest rate on the \$36,000,000 term loan to 2% for the first 36 months. If The Puratone Corporation fails to meet any of the above payments, the interest rate assessed reverts to the regular loan rate and the 2% rate will not apply.
- (D) The above is contingent upon approval of the \$7,000,000 HILLRP loan and an acceptable restructure plan of the existing BMO debt outstanding and an acceptable level of new operating funds made available to The Puratone Corporation.

1.2 Payee details

A voided cheque must accompany this Agreement.

You request that FCC pay the Loan funds to:

Payee Name	Purpose	Amount
Farm Credit Canada	Repay existing FCC short-term loan #325342 and all accrued interest on FCC term loans	\$ 7,000,000
Farm Credit Canada	Consolidate and restructure existing FCC term loans	\$36,000,000

You acknowledge that FCC retains the discretion to advance all Loan funds to the solicitor's trust account, despite your above request.

1.3 Conditions precedent:

Prior to FCC making any advance under this Agreement the following conditions precedent must be satisfied in form and substance acceptable to FCC.

All the existing security referred in this Credit Agreement will have been executed and all registrations and acknowledgements required shall have been completed or obtained.

- (a) Written confirmation from Agriculture and Agri-Foods Canada that the \$7,000,000 HILLRP loan has been approved.
- (b) Written confirmation of BMO's restructuring plan with terms and conditions acceptable to FCC.

2. Security

2.1 Security for all Loans

(a) Mortgage

(1) A Continuing Collateral Mortgage securing repayment of the principal sum of \$35,000,000 registered in the Winnipeg Land Titles Office on May 17, 2006 as No. 3290020 encompassing the following parcels in the name of The Puratone Corporation:

(A) "Arborq Agri-Ventures" – RM of Bifrost

- The S'y 1,320 feet perp of SW 1/4 14-23-1 EPM except Water control Works Plan 11119 WLTO (CT#1754080)

(B) "ASR Pigs" – RM of La Broquerie

- Parcel 1: NW 1/4 13-5-7 EPM except all mines and minerals (CT#1754082)
- Parcel 2: W'y 1,320 feet perp of SW 1/4 13-5-7 EPM except all mines and minerals (CT#1754082)
- Parcel 3: NE 1/4 13-5-7 EPM except all mines and minerals (CT#1754082)
- Parcel 1: SW 1/4 13-5-7 EPM except W'y 1,320 feet perp and all mines and minerals (CT#1754086)
- Parcel 2: SE 1/4 13-5-7 EPM except all mines and minerals (CT#1754086)

(C) "Birch Bay Pork" – RM of Hanover

- N'y 1,329 feet perp of NW 1/4 24-5-5 EPM (CT#1754059)

(D) "Emerson Quarantine" – RM of Franklin

- W'y 660 feet of S'y 1,320 feet perp of SW 1/4 2-1-3 EPM (CT#1754068)

(E) "Interlake Pura Pork" – RM of Bifrost

- SE 1/4 23-25-3 EPM except all mines and minerals (CT#1754090)

(F) "Interlake Swine Breeders" – RM of Fisher (Parcels 1-2) and LGD of Armstrong (Parcels 3-5)

- NE 1/4 33-21-1WPM except S 1/2 of E 1/2 of legal subdivision 9 (CT#1796363)
- NW 1/4 33-21-1WPM (CT#1796366)
- E 1/2 of N 1/2 of legal subdivision 12 and all of legal subdivision 13 of 34-21-1 WPM (CT#1796369)
- SW 1/4 4-22-1 WPM (CT#1787175)
- SE 1/4 4-22-1 WPM except all mines and minerals (CT#1796361)

(G) "Interlake Weanlings" – LGD of Armstrong

- SLY 1,320 feet perp of SE 1/4-21-3 EPM (CT#1754094)
- NE 1/4 21-21-3 EPM (CT#1754097)
- NE 1/4 20-21-3 EPM (CT#1754098)
- E 1/2 of SE 1/4 29-21-3 EPM except all mines and minerals (CT#2025527)
- NE 1/4 29-21-3 EPM except all mines and minerals (CT# 2025532)
- W 1/2 of SE 1/4 29-21-3 EPM except all mines and minerals (CT#2025531)

(H) "Marquette Feeders" – RM of Woodlands

- The NLY 1326 feet perp of the NE 1/4 of section 4-13-2 WPM (CT#2321848)

(I) "Pork Place" – RM of Hanover

- W'y 528 feet of NW 1/4 34-7-4 EPM except
Firstly: Water Control Works Plan 10730 WLTO and
Secondly: Road Plan 12319 WLTO (CT#1754111)

(J) "Post Road Ventures" – RM Rhineland

- N 1/2 of NW 1/4 6-1-1 EPM, except S'y 180 feet of W'y 363 feet (CT#1754071)

(K) "Ritchot Swine Breeders" – RM of Ritchot

- Parcel 1: N 1/2 of NW 1/4 30-8-4 EPM WLTO except:
Firstly: The W'ly 100 feet
Secondly: The E'ly 66 feet
Thirdly: Road and Water Control Works Plan 7228 WLTO
Fourthly: All that portion contained within the following limits:
Commencing at a point in the Northern limit of said NW 1/4, distant E'ly thereon 100 feet from the Western limit of said NW 1/4,
Thence S'ly, parallel with said Western limit, 417 feet
Thence E'ly, parallel with said Northern limit, 208.5 feet
Thence N'ly, parallel with said Western limit to said Northern limit
Thence W'ly, along said Northern limit to the point of commencement; and
Fifthly: all mines and minerals as set forth in Instrument No. 754921 WLTO
- Parcel 2: The N'ly 123.5 feet perp of the S 1/2 of said NW 1/4 except out of Parcel 2,
Firstly: The W'ly 100 feet
Secondly: The E'ly 66 feet, and
Thirdly: All mines and minerals as set forth in Instrument No. 754921 WLTO
- Parcel 3: All that portion of said NW 1/4, contained within the following limits:
Commencing at a point in the Northern limit of said NW 1/4, distant E'ly thereon 100 feet from the Western limit of said NW 1/4, thence S'ly, parallel with said Western limit, 417 feet thence E'ly, parallel with said Northern limit, 208.5 feet thence N'ly, parallel with said Western limit, to said Northern limit thence W'ly, along said Northern limit, to the point of commencement out of Parcel 3 except all mines and minerals (CT#1835755)

(L) "Select Genetics Boar Stud" – RM of Rockwood

- Legal subdivisions 12 and 13 in 8-15-3 EPM except out right of way Drain Plan 2720 WLTO (CT#1794872)
- NW 1/4 29-13-3 EPM except Public Road Plan 12597 WLTO (CT#1754062)

(M) "Shelly's Hoq Farm" – RM of Hanover

- NE 1/4 25-5-5 EPM except Firstly: Drain Plan 7865 WLTO and Secondly: Ely 1320 feet perp and Thirdly: All mines and minerals (CT#1754102)
- E'ly 1,320 feet perp of NE 1/4 25-5-5 EPM except Firstly: Drain Plan 7865 WLTO and Secondly: All mines and minerals (CT#1754099)
- SE 1/4 25-5-5 EPM except:
Firstly: N'ly 468 feet of E'ly 468 feet and
Secondly: All mines and minerals (CT#1754107)

(N) "Silver Rock Pork" – RM of Hanover

- S'ly 1,320 feet perp of SE 1/4 6-6-5 EPM (CT#1754114)
- SE 1/4 6-6-5 EPM except S'ly 1,320 feet (CT#1754115)

(O) "Vita Select Genetics" – RM of Stuartburne

- NE 1/4 32-2-7 EPM except all mines and minerals (CT#1754129)

(P) "Arborg Feeds" – RM of Bifrost

- Lot 1 Plan 43542 WLTO except all mines and as set forth in the original grant from the Crown in Lots 46 and 47-22-2 EPM (CT#2069109)

(Q) "Niverville Feeds" – Town of Niverville

- Parcel 1 Plan 11869 WLTO except Road Plan 16506 WLTO in SE 1/4 31-7-4 EPM (CT#1800287)

- (2) A Continuing Collateral Mortgage securing repayment of the principal sum of \$35,000,000 registered in the Morden Land Titles Office on May 16, 2006 as No. 1099278 encompassing the following parcels in the name of The Puratone Corporation:

(A) "Kaleida Pork" – RM of Pembina

- S'y 850 feet perp of the W'y 1700 feet perp of SW 1/4 16-2-8 WPM MLTO (CT #1752772)
- (B) "Prairie Grass Pork" – RM of Rhineland
 - E 1/2 of SW 1/4 29-3-3 WPM except all mines and minerals (CT #1752773)
- (C) "Winkler Feeds" – City of Winkler
 - Lot 1 Plan 33837 MLTO in NE 4-3-4 WPM (CT #1752770)
- (D) "Winkler Pura Pork" – RM of Stanley
 - N'y 1320 feet perp of SW 1/4 6-4-4 WPM except Public Road Plan 587 MLTO and 1544 MLTO (CT#2402487)
- (3) A Continuing Collateral Mortgage securing repayment of the principal sum of \$35,000,000 registered in the Morden Land Titles Office on November 16, 2007, as No. 1117573 encompassing the following parcel in the name of The Puratone Corporation:
 - (A) "Winkler Feeds" – City of Winkler, RM of Stanley
 - Lot 1 Plan 33290 MLTO in NE 1/4 4-3-4 WPM (CT #2282014)
 - Lot 1 Plan 33837 MLTO in NE 1/4 4-3-4 WPM (CT #1752770)
- (4) A Continuing Collateral Mortgage securing repayment of the principal sum of \$35,000,000 registered in the Dauphin Land Titles Office on May 16, 2006 as No. 1050685 encompassing the following parcels in the name of The Puratone Corporation:
 - (A) "Dauphin Pura Pork" – RM of Dauphin
 - NW 1/4 23-25-20 WPM except CNR Plan 306 DLTO (CT#1752708)
- (5) A Continuing Collateral Mortgage securing repayment of the principal sum of \$7,500,000 registered in the Morden Land Titles Office on June 5, 2007 as No. 1111263 encompassing the following parcels in the name of Pembina Valley Pigs Ltd.:
 - (A) "Border Bacon Growers Ltd." – RM of Louise
 - NE 1/4 11-1-11 WPM excepting thereout Firstly – all mines and minerals as set forth in the original grant from the crown Secondly – Public Road Plan 538 MLTO (CT # 2229686)
 - (B) "K Line Management Ltd." – RM of Stanley
 - All that portion of the W'y 1380 feet perp of SW 1/4 13-2-4 WPM which lies to the south of a line drawn Ely at right angles to the western limit of said quarter section from a point in the same distant thereon 1320 feet from the southern limit of said quarter section (CT #2229689)
 - (C) "Killarney Shamrock Genetics Ltd." – RM of Turtle Mountain
 - Parcel I: SE 1/4 24-3-16 WPM Excepting – All mines and minerals as set forth in Transfer 82605 MLTO
 - Parcel II: SE 1/4 25-3-16 WPM Excepting – All mines and minerals vested in the Crown (Manitoba) by The Real Property Act (CT # 2229694)
 - (D) "Rosenfeld Piglets Ltd." RM of Rhineland
 - W 1/2 of NW 1/4 23-3-1 WPM Excepting thereout – Public drain plan 293 MLTO (CT # 2229700)
 - The N 1/2 of SE 1/4 23-3-1 WPM Excepting thereout – All mines and minerals as set forth in transfer 84147 MLTO (CT # 2229698)
 - (E) "Genetics West" – RM of Stanley
 - Lot 1 Plan 42020 MLTO in NW 1/4 4-2-4 WPM (CT #2229692)

- (6) A Continuing Collateral Mortgage securing repayment of the principal sum of \$7,500,000 registered in the Winnipeg Land Titles Office on June 5, 2007 as No. 3460296 encompassing the following parcels in the name of Pembina Valley Pigs Ltd.
- (A) "Southman Pork Producers Ltd." – RM of Montcalm
- SE 1/4 8-2-1 EPM Except Firstly: N'y 1485 feet and Secondly: All mines and minerals, which without limiting the generality thereof, shall include valuable stone (CT #2231170)
- (7) A Mortgage securing repayment of the principal sum of \$1,500,000 registered in the Morden Land Titles Office on September 3, 1997 as No. 97-6923 and amended on February 14, 1998 as No. 1002591 encompassing the following parcels in the name of Pembina Valley Pigs Ltd.:
- (A) "Premium Pig Producers Ltd." – RM of Pembina
- The Sly 1320 feet perp of W'y 1320 feet perp of SW 1/4 16-1-7 WPM Excepting Firstly – All mines and minerals as set forth in transfer 93443 MLTO Secondly – Public road plan 651 MLTO (CT #2259329)
- (8) A Mortgage securing repayment of the principal sum of \$1,660,000 registered in the Morden Land Titles Office on September 14, 1998 as No. 1010791 encompassing the following parcel in the name of Pembina Valley Pigs Ltd.:
- (A) "Darling Pigs" – RM of Pembina
- SW 1/4 28-1-7 WPM Excepting thereout Firstly – Public road Plan 651 MLTO Secondly – All mines and minerals as set forth in the original grant from the crown (CT #2259328).

(b) General Security Agreements

- (1) An existing General Security Agreement from The Puratone Corporation for which a financing statement has been registered in the Manitoba Personal Property Registry, and a Personal Property Security Notice has been registered in the Manitoba Land Titles Office granting FCC a first charge security interest, subject to the Inter-Creditor Agreement as set out hereafter, in all present and after acquired personal property including but not limited to all equipment integral to the feed mill operations and all hog barn operations.
- (2) An existing General Security Agreement from Pembina Valley Pigs Ltd. for which a financing statement has been registered in the Manitoba Personal Property Registry, and a Personal Property Security Notice has been registered in the Manitoba Land Titles Office granting FCC a first charge security interest in all present and after acquired personal property, including but not limited to all equipment integral to the hog operations located on the mortgaged lands listed above, including but not limited to bulk tanks, waterworks, feed mill equipment, feed systems, penning, sow crates, etc., all power motors, now owned or hereafter acquired or re-acquired by Pembina Valley Pigs Ltd. including all proceeds, all substitutions and replacement thereof and accessions thereto.

(c) Inter-Lender Priority Agreements

- (1) A new Inter-Lender Priority Agreement between BMO, Manitoba Agricultural Services Corporation (MASC), FCC, The Puratone Corporation and Pembina Valley Pigs Ltd. confirming that:
- (A) BMO has first priority over all present and after acquired personal property, including but not limited to inventory, breeding stock, accounts receivable equipment (but excluding any equipment necessary to operate the hog barns located on the above-noted lands) and proceeds thereof to the extent required to secure BMO HILLRP loan and operating line of credit;
- (B) FCC has second priority over all present and after acquired personal property, including but not limited to inventory, breeding stock, accounts receivable, equipment (but excluding any equipment necessary to operate the hog barns located on the above-noted lands) and

proceeds thereof to the extent required to secure the FCC HILLRP loan and FCC term loans;

- (C) FCC has a first priority over all real estate owned by the Borrower, together with the equipment necessary to operate the hog barns located on the above lands to the full extent of the FCC HILLRP loan and FCC term loans;
- (D) BMO has a second priority over all real estate owned by the Borrower, together with the equipment necessary to operate the hog barns located on the above lands to the full extent of the BMO HILLRP loan and BMO operating line of credit; and
- (E) MASC has a third priority over all real estate owned by the Borrower, together with the equipment necessary to operate the hog barns located on the above lands to the full extent of the MAC demand loan with respect to the Hog Loan Assistance Program.

(d) Postponements

- (1) An existing Assignment, Postponement and Subordination Agreement from all of the shareholders of The Puratone Corporation that have lent The Puratone Corporation with money, assigning and subordinating in favour of FCC any such shareholder loans, including interest accruing thereon, present and future.
- (2) An existing Assignment, Postponement and Subordination Agreement from all of the shareholders of Pembina Valley Pigs Ltd. that have lent Pembina Valley Pigs Ltd. with money, assigning and subordinating in favour of FCC any such shareholder loans, including interest accruing thereon, present and future.

(e) Insurance

- (1) You will maintain the following policies of insurance, each satisfactory to FCC, which will contain a mortgage clause and a loss payable clause directing first payment to FCC:
 - (A) On completed buildings, fixtures, livestock (*second loss payee*) and equipment, property insurance on an "all-risks" replacement cost basis;
 - (B) Comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of Your operations; such insurance shall be in an amount not less than \$2,000,000 per occurrence;
 - (C) Business interruption insurance to provide insurance for a minimum three (3) months revenue;
 - (D) Such other insurance as FCC may reasonably request.
 - (E) You will promptly provide FCC or its insurance consultant as directed by FCC, with a certified copy of each insurance policy as soon as practically available.
- (f) It is understood and agreed that the specific security referred to as security for the above loan(s) is not intended to be exhaustive of all security that may have been taken at the time of granting of any prior loan(s), if any. It is further understood and agreed that any security not above-listed shall remain in full force and effect in addition to the above-listed security.

3. General conditions and covenants

3.1 Financial covenants

For as long as this Agreement is in force and any portion of the Loan(s) referred to in this Agreement remains unpaid, you shall maintain the following financial covenants:

(a) Ratios

(1) Current ratio

The Current ratio, on a consolidated basis, beginning at the 2010 fiscal year-end will be a minimum of 1.05:1.

The Current ratio is defined as current assets divided by current liabilities. The current assets to include the value of the breeding livestock.

(2) Debt to Equity ratio

Debt to Equity Ratio, on a consolidated basis, at fiscal year-end(s) will not exceed the following:

Fiscal year end, 2011	13.00:1
Fiscal year end, 2012	7.74:1
Fiscal year end, 2013	8.31:1

Fiscal year end thereafter will be determined upon review of an updated Budget acceptable to FCC.

Debt to Equity Ratio is defined as Total Debt divided by Equity. Debt is defined as total balance sheet debt [not including postponed shareholder loans or deferred taxes]. Equity is defined as share capital plus retained earnings plus postponed shareholder loans minus inter-company advances or receivables and minus inter-company investments (unless approved by FCC) and minus intangible assets.

(3) Debt Service Coverage ratio

Minimum Debt Service Coverage Ratio shall be equal to or exceed 1.10. Commencing fiscal year ending 2009 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.

Minimum EBITDA is to be maintained at not less than 70% of the annual approved Business Plan projections, commencing with the fiscal year starting October 1, 2009. EBITDA will be calculated on a rolling 4 quarter basis for each fiscal year.

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 capital expenditures. 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:

- (A) Income taxes paid or payable or refunds received or receivable in respect of income taxes;
- (B) Interest expenses, waiver fees and commitment and other fees payable to the bank or otherwise;
- (C) Depreciation and amortization expenses (including, without limitation, the amortized portion of professional fees, bank charges, securitization charges and restructuring charges); and
- (D) 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.

3.2 Reporting and monitoring

- (a) For as long as this Agreement is in force and any portion of the Loan(s) referred to in this Agreement remains unpaid, you shall provide:
- (1) Annual consolidated audited fiscal year-end financial statements from The Puratone Corporation within 120 days of their fiscal year ends.
 - (2) Quarterly consolidated unaudited financial statements within 45 days of the end of each quarter.
 - (3) Monthly consolidated in-house prepared financial statements to be provided for The Puratone Corporation within 45 days of the end of each month.
 - (4) Copies of all reports, financial statements and returns sent to the shareholders and partners of The Puratone Corporation and any of its subsidiaries.
 - (5) Consolidated budget, including a consolidated capital budget, for each ensuing fiscal year to be submitted by The Puratone Corporation to FCC for consent and approval by FCC within 15 days of approval of such consolidated budgets and not later than 45 days following the fiscal year end (which consent will not be unreasonably withheld).
 - (6) Any other financial information which FCC may reasonably request.

3.3 Fees

(a) **Loan processing fee:**

None.

(b) **Non-Compliance Fees**

A "Customer Connection" means you and one or more other FCC customers whose farming or agribusinesses are operated together through a sufficient sharing of resources (e.g. land, equipment, etc.) or who are financially interdependent such that financial difficulty for one of you will materially affect the business of the other(s). If an event of default occurs, you may be charged a maximum annual fee of up to 1/2 a percent per annum of the total amount that all persons comprising your Customer connection owe FCC. The amount of this fee will be determined by us, in our sole discretion, and added to your Loan. You agree that this fee is a reasonable charge for our costs incurred in protecting our security and interest in the Property after an event of default.

3.4 Negative covenants

For as long as this Agreement is in force and any portion of the Loan(s) referred to in this Agreement remains unpaid, **you shall not**, without FCC's prior written consent (which consent will not be unreasonably withheld):

- (a) Borrow any funds from any source whatsoever or enter into any guarantee for or assume any obligations in respect of borrowed money or otherwise become liable upon any note or obligation other than that in the ordinary course of Your business, unless the obligation or note is in favour of FCC, BMO and MASC.
- (b) Declare, pay or make any dividends or other distributions to shareholders or permit other withdrawals of the capital or equity nor lend any money to shareholders, directors or any other persons, firms or corporations other than in the normal course of business.
- (c) Permit drawings and withdrawals by way of shareholder loan reductions, dividends, salaries, bonuses, or any other withdrawals to exceed those outlined in the Annual Budget, approved by FCC, after repayment of current portion of long term debt, including principal portion of capital lease payments, provided compliance with the financial covenants set out herein is maintained.

- (d) Reduce share capital or make any distributions of assets or redeem, purchase or otherwise retire or pay off any shares of present or future capital stock.
- (e) Amalgamate, merge or change share structure, by-laws or articles of incorporation.
- (f) Enter into management, marketing, rental or administrative contracts, agreements or leases with any of your directors, officers or shareholders or any person, corporation or organization associated with you, unless on prevailing market rates and you disclose such related party contracts and expenses annually as part of the annual review documentation.
- (g) Enter into any consulting agreement or any other agreement or contract with a shareholder or other non-arms length party or entity, other than the Feed-mill Share Program, unless on prevailing market rates and you disclose all such related party contracts and expenses annually as part of the annual review documentation. If additional detailed transaction information is required upon FCC's request, Puratone will provide such information.
- (h) Make changes to the Executive Management Team.

3.5 Ongoing covenants and understandings

For as long as this Agreement is in force and any portion of the Loan(s) referred to in this Agreement remains unpaid, the Borrower and FCC agrees:

- (a) That any guarantees, including guarantees given in favor of BMO, that the following outstanding guarantees previously executed and delivered by The Puratone Corporation and/or Pembina Valley Pigs Ltd. and/or any subsidiaries are permitted to remain:

Creditor	Guarantor	Debtor	Guarantee Amount
FCC	The Puratone Corporation	Silver Weanlings Inc.	\$1,425,000.00

- (b) that any proceeds from the sale of any real property and buildings sold will be paid directly to FCC to reduce the outstanding debt owing to FCC.
- (c) that no amendments to the terms and conditions of the BMO Facility Agreement or the FCC credit agreement can occur without the prior approval of each creditor.
- (d) That if at the end of any fiscal year commencing with respect to the year ended September 30, 2011, based on the 4 quarter rolling EBITDA for the fiscal year and the calculation of the Debt Service Coverage Ratio, with this ratio exceeding 2.50, 75% of the Excess Cash Flow for the fiscal year shall be paid to the FCC (37.5%) and BMO (37.5%) on than equal basis within 90 days of the fiscal year end. For FCC and BMO these funds will be applied as a permanent reduction on loan principals on HILLRP term loans with these loan principal payments to be applied in the inverse order of loan maturity.
- (e) A copy of the Environmental Compliance Certificate that is to be provided to BMO annually, by not later than October 31 of each year, shall also be provided to FCC at the same time.

4. Pre-Authorized payment authority (the "Authority")

4.1 Bank account information (A voided cheque must accompany this Agreement)

Branch transit #:

0	0	0	3	7
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 FI #:

0	0	1
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 Account #:

1	0	8	5	8	8	7													
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Financial institution name: Bank of Montreal
 Address: 335 Main Street, Winnipeg Manitoba R3C 1C2

4.2 Pre-authorized payment details

Pre-authorized payment type	Payment amount	Payment start date (Month/Day)	Frequency
<input type="checkbox"/> Fixed <input checked="" type="checkbox"/> Adjustable	Interest Only	March 1, 2010	Monthly
<input type="checkbox"/> Fixed <input checked="" type="checkbox"/> Adjustable	Interest Only \$ 85,213.33	March 1, 2010 March 1, 2011	Monthly
<input type="checkbox"/> Fixed <input checked="" type="checkbox"/> Adjustable	Interest Only \$ 51,675.41	March 1, 2010 March 1, 2011	Monthly
<input type="checkbox"/> Fixed <input checked="" type="checkbox"/> Adjustable	Interest Only \$150,201.12	March 1, 2010 March 1, 2011	Monthly

You hereby instruct and authorize FCC to debit your above bank account (the "Account") with the above payments for the purpose of paying on account of your Loans and related indebtedness to FCC. A specimen cheque for the Account has been marked "void" and attached to this Authority. You undertake to inform FCC, in writing, of any change in the Account information provided in this Agreement prior to the next due date of the pre-authorized payment.

(read and initial box) You waive the pre-notification requirements of the Canadian Payments Association. You acknowledge that FCC may send you payment notices but that these payment notices do not constitute the pre-notification requirements of the Canadian Payments Association.

The above payment(s) are made for (check one) personal business purposes.

FCC reserves the right to cancel this Authority at its discretion and without notice. This Authority may be cancelled at any time upon notice being provided by you, either in writing or orally with proper authorization to verify your identity, to FCC within 30 days before the next payment is to be made. You may obtain a sample cancellation form, or more information on your rights to cancel this Authority, by contacting your financial institution or by visiting www.cdnpay.ca.

You have certain recourse rights if any debit does not comply with this Authority. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Authority. To obtain more information on your recourse rights, you may contact your financial institution or visit www.cdnpay.ca.

You may contact FCC to make inquiries or obtain information about this Authority at:

Farm Credit Canada
Customer Service Centre
1800 Hamilton Street, P.O. Box 4320
Regina, SK S4P 4L3
Telephone: 1-888-332-3301 Fax: 1-306-780-8919 email: csc@fcc-fac.ca

You warrant and guarantee that you are duly authorized, in accordance with your account agreement at the financial institution identified above, to debit the Account.

5. Acceptance

If this Agreement is acceptable to you, please sign in the space indicated below and return it to us by February 28, 2010 (the "Loan Acceptance Date"), after which this Agreement shall be null and void (unless extended in writing by us). Each Borrower and Guarantor of a New Loan must sign this Agreement in that capacity.

Dated this ____ day of February, 2010 at _____, in the Province of Manitoba.

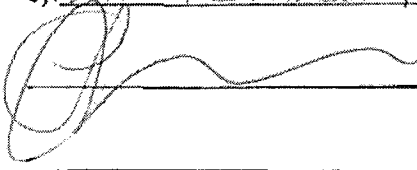
Farm Credit Canada

Shirley Scharfe
Specialist, Loan Closing and Documentation

Borrower(s):

THE PURATONE CORPORATION,

by: LARRY JOHNSON, CEO (Print name of person signing on behalf of the corporation),



_____ (Print title of person signing on behalf of the corporation)

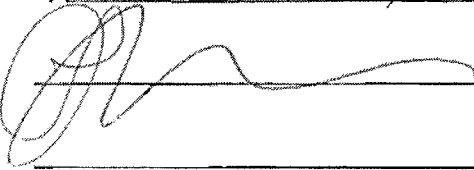
(Signature of person signing on behalf of the corporation)

I have authority to bind the corporation

(Corporate seal if available)

PEMBINA VALLEY PIGS LTD.,

by: LARRY JOHNSON, CEO (Print name of person signing on behalf of the corporation),



_____ (Print title of person signing on behalf of the corporation)

(Signature of person signing on behalf of the corporation)

I have authority to bind the corporation.

(Corporate seal if available)

Schedule A - Standard Loan Terms and Conditions

1. Your Representations and Warranties

(a) General Representations and Warranties

You represent and warrant to us, and acknowledge that we are relying on these representations and warranties in making the Loan to you, as follows:

- (i) if a corporation, you are duly incorporated, validly existing and duly registered or qualified to carry on business in the province(s) you operate and that the execution, delivery and performance by you of this Agreement, and all related documents, have been duly authorized by all necessary actions and do not violate your constituting documents or any applicable laws or agreements to which you are subject or by which you are bound;
- (ii) this Agreement and all related documents have been executed and delivered by you, and constitutes valid and binding obligations of you, and are enforceable in accordance with their respective terms;
- (iii) any financial statements you have given us accurately present your financial position as of the date thereof, and there has been no material adverse change in your business or financial condition;
- (iv) you have good and marketable title to all property given as security for a Loan (the "Property"), free and clear of any encumbrances, other than as specifically set out in this Agreement;
- (v) you are in compliance with all applicable laws;
- (vi) all factual information you have given us for any purpose in connection with this Agreement is true and accurate in every material respect, as of the date thereof, and that information is not incomplete by the omission of any material fact necessary to make that information not misleading;
- (vii) you are not in default of any other agreement for a loan or debt instrument with FCC or any other financial institution;
- (viii) you possess all intellectual property rights and licences necessary for the ownership, maintenance and operation of your business and the Property and you are not in violation of any rights of another entity in this respect; and
- (ix) you have filed and paid all government remittances as required by law and shall continue to do so for so long as the Loan is outstanding.

(b) Environmental Representations and Warranties

You represent and warrant to us, and acknowledge that we are relying on these representations and warranties in making the Loan to you, as follows:

- (i) you shall, at your cost, comply with all relevant environmental laws applicable to your operation, including those relating to the management, handling and clean-up of hazardous substances;
- (ii) the Property has not and shall not be used to store any hazardous substances above or below ground, except in the normal course of your business at the time of this Agreement and any such storage in the normal course shall comply with any laws, regulations or by-laws pertaining to safe storage and/or handling of such hazardous substances;
- (iii) no hazardous substances have or will be released into the environment from the Property, except as permitted by law;
- (iv) there are no existing or threatened legal proceedings or investigations in relation to any hazardous substance affecting the Property or any environmental matter generally affecting your operation;
- (v) you shall advise us of any circumstance involving a hazardous substance or breach of environmental law on or near the Property or affecting your operation of which you may become aware;

- (vi) you must remedy any adverse environmental condition affecting the Property or operations and remove any hazardous substance at your expense within a reasonable time as determined by us. If you fail to do so, we may, but are not obligated to, take steps to remedy this environmental condition and remove such hazardous substance and any costs, expenses or damages incurred by us shall be added to the Loan;
- (vii) you shall, at your cost, provide us with any environmental information respecting the Property, as and when requested by us;
- (viii) you shall promptly provide us with a copy of any and all environmental reports and environmental monitoring data, affecting or relating to any of your operations or the Property, that has been provided to regulatory authorities or that has been requested by us;
- (ix) you shall reimburse us for any loss we suffer as a result of any breach by you of these representations and warranties and any costs incurred in conducting any environmental audits, assessments, investigations or other information-gathering that we may reasonably require in respect of the Property and operation and shall allow us, or any third party retained by us, to gather environmental information concerning the Property and operation, including but not limited to allowing the third party to attend at the Property, take samples and obtain information concerning the Property and your operation from any regulatory authorities; and
- (x) your responsibility for the environmental condition of the property remains with you and survives the expiry or cancellation of this Agreement, the release of the Property as security for the Loan and the final satisfaction of any indebtedness or liability you owe to us.

2. Commitment and Disbursement

(a) Conditions Precedent

We require the following before we will advance any funds under any New Loans:

- (i) an executed copy of this Agreement;
- (ii) all security required herein, in form and substance satisfactory to us, registered as required to perfect and maintain the security created thereby and such certificates, authorizations, resolutions and legal opinions as we may reasonably require; and
- (iii) such financial and other information or documents relating to you or your Guarantors as we may reasonably require

(b) Use of Your Loan

You agree to use the Loan only for the purposes described in this Agreement.

(c) Undisbursed Funds

Any portion of a Loan that is not disbursed by the Loan Approval Expiry Date may be cancelled at our option.

(d) Proof of Debt

You agree that our accounting records provide final proof of the state of your Loans, including the principal balance outstanding, interest calculations and payment dates.

3. Interest

(a) Interest Rate Guarantee

- (i) **Interest Rate Guarantee on fixed rate Draws:** The interest rate for each fixed rate Draw of the New Loan will be the lower of the interest rate quoted in this Agreement or the interest rate in effect on the date at least 50% of each Draw is disbursed, providing at least 50% of the Loan funds are disbursed by the 50% Disbursement Date and such interest rate will apply to all Loan funds disbursed by the 100% Disbursement Date.

If at least 50% of each Draw of the New Loan is not disbursed by the 50% Disbursement Date, then the interest rate charged for each Draw will be the higher of either the rate quoted in this Agreement or the rate set by FCC on the date of final disbursement.

If 50% of the Loan funds are disbursed by the 50% Disbursement Date, but 100% of the Loan funds are not disbursed by the 100% Disbursement Date, then the interest rate charged for each Draw will be the higher of either the rate set on the 50% Disbursement Date or the rate set by FCC on the date of final disbursement.

If the New Loan is secured by real property and if the actual rate charged is higher than the registered mortgage rate, the Loan funds will be advanced on the trust condition that a mortgage amending agreement to reflect the higher interest rate will be required.

(II) Interest Rate Guarantee on fixed rate Draws up to and including \$1,000,000 with lower interest rate at disbursement:

The interest rate for each fixed rate Draw of the New Loan will be the lower of the interest rate quoted in this Agreement or the interest rate in effect on the date at least 50% of each Draw is disbursed, providing at least 50% of the Loan funds are disbursed by the 50% Disbursement Date and such interest rate will apply to all Loan funds disbursed by the 100% Disbursement Date.

If at least 50% of each Draw of the New Loan is not disbursed by the 50% Disbursement Date, then the interest rate charged for each Draw will be the higher of either the rate quoted in this Agreement or the rate set by FCC on the date of final disbursement.

If 50% of the Loan funds are disbursed by the 50% Disbursement Date, but 100% of the Loan funds are not disbursed by the 100% Disbursement Date, then the interest rate charged for each Draw will be the higher of either the rate set on the 50% Disbursement Date or the rate set by FCC on the date of final disbursement.

If the New Loan is secured by real property and if the actual rate charged is higher than the registered mortgage rate, the Loan funds will be advanced on the trust condition that a mortgage amending agreement to reflect the higher interest rate will be required.

(III) Interest Rate Guarantee on fixed rate Draws over \$1,000,000:

If a commitment fee has been paid, the interest rate for each fixed rate Draw of the New Loan will be the interest rate quoted in this Agreement if disbursement of a minimum of 50% of each Draw is completed within 60 days of the date the commitment fee is paid and such interest rate will apply to all Loan funds disbursed within 120 days of the date the commitment fee is paid.

The commitment fee will be refundable on those Loan funds disbursed, providing disbursement of a minimum of 50% of each Draw is completed within 60 days of the date the commitment fee is paid and if final disbursement is completed within 120 days of the date the commitment fee is paid. If not, FCC will retain the proportionate commitment fee.

If a commitment fee has not been paid, the interest rate for each fixed rate draw of the New Loan will be set by FCC on the date of disbursement or upon payment of a commitment fee equal to 0.5% of the fixed rate Draw amount.

(iv) Interest Rate Guarantee on Transition and Accelerator loans:

The Interest Rate Guarantee for New Loans that are identified as a "Transition" or "Accelerator" product type will be as above set out above for the , except that the 50% Disbursement Date and the 100% Disbursement Date will be based on the disbursement of the initial advance and not on the disbursement of the entire Draw.

(b) Interest

(i) Interest Calculations and Compounding Period

Interest on each Loan shall be calculated on the daily outstanding balance of such Loan from (and including) the date it is advanced until (but excluding) the date it is repaid in full. The rates of interest per annum are expressed on the basis of a 365 or 366 day year, as applicable. Interest owing on a Real Property Loan shall be compounded semi-annually, not in advance. Interest owing on a Personal Property Loan shall be compounded on each payment date (for example, interest shall be compounded monthly if payments are made monthly). All such interest shall be payable both before and after maturity, default and judgment on the amount outstanding from day to day until payment is made.

(ii) **Prime Rate**

"Prime Rate" means the prime rate of interest, expressed as a rate per annum, for Canadian dollar commercial loans in Canada as declared from time to time by the Canadian Imperial Bank of Commerce (CIBC) in Regina as its prime rate (or such other rate as FCC may establish from time to time)

(iii) **Changes in Our Variable Rate**

Each change in our variable interest rate shall cause an immediate and automatic adjustment in any variable interest rate applicable under this Agreement, from the effective date of the change, calculated in accordance with our usual practices, and without notification to you.

(c) **Convertibility**

- (i) "Conversion Fee" means the fee payable by you to FCC, in an amount determined by FCC, to convert your Loan to a different type of product.
- (ii) A Variable Personal Property Loan may be converted, at any time, to another Personal Property product offered by FCC, as follows:
- (ii.i.) if the remaining amortization period is 5 years or less, the Loan can be converted to a term equal to the balance of the existing amortization period; or
 - (ii.ii.) if the remaining amortization is greater than 5 years, the Loan can be converted to a term equal or greater to the balance of the existing amortization period.
- (iii) An Open Variable Real Property Loan may be converted, at any time, upon payment of the Conversion Fee, to any other available Mortgage product offered by FCC.
- (iv) A Variable Mortgage Rate Loan may be converted, at any time, upon payment of the Conversion Fee, to any Mortgage product offered by FCC, except the Open Variable Mortgage Product.

4. Payment

(a) **Pre-authorized payments**

You must comply with all requirements to make all your Loan payments by way of pre-authorized payments

(b) **Payment Application**

If you are not in default, we will apply each payment to the appropriate Loan first to pay outstanding fees and other charges, second to pay the interest due, and third to reduce the outstanding principal. If you are in default on any Loan, we can apply each Loan payment as we see fit.

(c) **Payment Adjustment**

We may adjust the stipulated payments of principal and interest for any Loan with a variable interest rate, as a result of changes in the interest rate, to ensure that the principal outstanding is being paid as originally intended under this Agreement.

(d) **Prepayments**

(i) **Prepayment Fee:**

If you wish to prepay this Loan during the Term then, to the extent permitted by law, you must pay a prepayment fee equal to the greater of: (a) three months interest on the amount being prepaid at the interest rate applicable to the Loan, or (b) the amount of interest lost by FCC over the remaining Term of the Loan on the amount being prepaid, as determined in accordance with FCC's standard practices.

(ii) **Prepayment Privileges:**

(i) **Open Variable Mortgage, Variable Personal Property, Mortgage Open Fixed and Personal Property Fixed Open products.** You may prepay all or a part of these Loans at any time, without notice or penalty.

(ii) **Mortgage Fixed Closed and Personal Property Fixed Closed products.** When not in default, you may prepay all or a part of these Loans at any time on the condition that you pay us the prepayment fee on the prepayment date.

- (iii) **Mortgage Fixed and Variable Mortgage products.** When not in default, you may prepay up to 10% of the original principal amount disbursed on these Loans, without notice or penalty. You may exercise this prepayment privilege once each calendar year. You may prepay a greater amount of these Loans at any time on the condition that you pay us the prepayment fee on the prepayment date.

5. Your Duties

(a) Business Plan and Financial Statements

You agree to conduct your business according to any business plan that was approved by us. You also agree to provide financial statements and any other information about your business when, and in the form, requested by us.

(b) Taxes and Other Charges

You agree to pay all property taxes, licence or permit fees and other charges, including those collectible as property taxes such as local improvement charges and municipal hail insurance premiums, owing in respect of the Property or the operation of your business. If we ask, you agree to provide us with proof that any such charges have been paid. If you fail to pay any of these charges, we may do so on your behalf and the charges/amounts paid shall be added to the Loan.

(c) Insurance

- (i) **Required Insurance** - You must keep all real and personal property pledged as security for this loan (the "**Property**") fully insured against such perils and in such manner as would be customarily insured by a borrower carrying on a similar business or owning similar property, including but not limited to: (i) property insurance on an "all-risks" replacement cost basis (including extended perils coverage) on the Property and all buildings, equipment and other property used in the operation of your business; (ii) broad-form boiler and machinery insurance for all of your boilers, pressure vessels, machinery and air conditioning equipment; (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of your operations, such insurance shall be in an amount not less than greater of loan amount, not less than replacement value or an amount acceptable to FCC per occurrence, and (iv) any other insurance required by this Agreement.
- (ii) **Policy Particulars** - Each insurance policy and insurance company must be approved by us. Each insurance policy must require that 30 days advance written notice shall be given to us in the event of any cancellation or material adverse change to the policy. Each insurance policy for a Real Property Loan must include the standard mortgage clause, in a form accepted by the Insurance Bureau of Canada or its successor, and loss payable clause stating that the insurance proceeds are payable to us, in a form acceptable to us. If we ask, you must provide us with a certified copy of each insurance policy. As further security, you hereby assign all insurance proceeds to us. If you fail to maintain any of the insurance required by this Agreement, we may do so on your behalf and the charges/amounts paid shall be added to the Loan.
- (iii) **Damage to Property** - If any damage or loss to the Property occurs, you must notify us immediately. At our option, we may apply any insurance proceeds to repair or replace the Property or to reduce or repay all or a part of any Loan.

(d) General Obligations

You agree:

- (i) not to sell any of the Property without our written consent, except in the ordinary course of your business;
- (ii) to operate your business in a diligent manner; and
- (iii) to keep the Property in good condition and not to do anything that lowers the value of the Property. If you do not maintain the good condition and value of the Property, we may enter and take any action we consider necessary to restore the Property. Any cost of taking such action may be added to the Loan.

(e) Legal Proceedings and Business Changes

You shall promptly notify us in writing if any material litigation, arbitration, action, suit or other proceeding is commenced or, to the knowledge of any of your officers or directors, is threatened against you and you shall promptly notify us in writing of any material adverse change in your business, financial or otherwise.

(f) Other Fees and Charges

You shall pay us the fees and other charges set out in this Agreement. You shall also pay us all reasonable fees (including legal fees on a solicitor-and-client or full indemnity basis) and out-of-pocket expenses that we may incur in making, administering, reviewing, amending or enforcing our rights under this Agreement. We may demand immediate payment of such fees and other charges or add them to any one of your outstanding Loan amounts. You must also pay interest on any fees and other charges from the date we demand payment until paid, at the Variable Mortgage interest rate then in effect plus 4%.

6. Default

(a) Events of Default

Each of the following shall be an event of default under this Agreement:

- (i) you fail to make any payment required by this Agreement or fail to do anything else you agreed to do under this Agreement;
- (ii) you fail to complete or proceed with any construction required by this Agreement in a continuous and vigorous manner and according to proper building standards;
- (iii) a builder's, construction, commercial, mechanic or similar lien is registered against the Property;
- (iv) any information you or any of your Guarantors provided to us prior to the making of this Loan or any representation, environmental or otherwise, is untrue at the time given or is breached during the term of this Agreement;
- (v) there is a change in your voting control, operation, ownership, officers, directors, partners or name without our written consent;
- (vi) we, in good faith and upon commercially reasonable grounds, believe that the prospect of repayment of the Loan or performance of your obligations under this Agreement is or is about to be impaired or any of the Property is or is about to be in jeopardy;
- (vii) you or any of your Guarantors cease to carry on business or threaten to do so;
- (viii) you or any of your Guarantors become insolvent or bankrupt or take advantage of any law to protect you from your creditors;
- (ix) an order is made or a resolution is passed for the winding-up, liquidation or dissolution of you or any of your Guarantors;
- (x) any of your Guarantors terminate any further or continuing liability under a Guarantee;
- (xi) any person or entity other than us takes possession of any of the Property (whether by appointment of a receiver, receiver and manager or otherwise) or takes any steps to repossess or sell the Property;
- (xii) an execution judgment, writ, attachment or similar process is registered against you or the Property;
- (xiii) a mortgage, security interest or other interest affecting the Property is registered against the Property without our approval;
- (xiv) you default in the performance of any obligation contained in any other loan or credit contract with us or any security document granted to us; or
- (xv) you are in default under the terms of any credit facility you have with any other financial institution.

(b) Notice of and Remedies upon Default

You agree to give us written notice within 30 days of an event of default occurring. If an event of default occurs, we may, at our option, decline to make any further Loan disbursements, terminate some or all of your Loans, and demand immediate repayment of any outstanding Loan balances and other amounts due under this Agreement. We may also take any action against you permitted under the Agreement, any security document or at law, including commencing legal actions against you and any one or all of your Guarantors and enforcing our security against the Property.

(c) Non-Merger

If we take any action requiring you to comply with any part of this Agreement or any part of any other credit contract or security document, or obtain a judgement against you, it shall not affect our remaining rights under this Agreement or any other document. Our rights under this Agreement are cumulative and are in addition to and not in substitution for any right, power or remedy available at law or in equity.

7. Our Rights

(a) Indemnity

You shall reimburse us for all losses, liabilities, claims, damages or expenses, including legal fees (on a solicitor-and-client or full indemnity basis), incurred by us in connection with the entry into and performance of this Agreement or the use of the Loan funds.

(b) Right of Inspection

You agree to allow us or our representatives, from time to time, to visit and inspect your premises, properties and assets, including the Property, to examine and obtain copies of your records and to discuss your affairs with your auditors, legal counsel and any other of your professional advisors.

(c) Release Information

You authorize us to obtain credit or other information about you, and the Property from, and we may, during the Term of the Loan, exchange such information with: (a) any financial institution, credit reporting agency, rating agency, credit bureau, governmental body or regulatory authority; and (b) anyone with whom you may have or propose to have financial dealings. You also agree that we may use your Loan information for our internal research and marketing purposes and that we may contact you regarding our other products and services.

(d) Account Review and Right to Amend

Your Loans may be reviewed periodically. For all Loans, any default may result in, but not be limited to, future disbursements being restricted, an adjustment of your interest rate, fees being charged or a change in the repayment terms of your Loans.

8. General

(a) Joint and Several Liability

Where more than one person signs this Agreement as a Borrower, the obligations of each Borrower shall be joint and several.

(b) Signature

You agree that this Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement.

(c) Further Assurances

You agree to sign any additional agreements or documents that we may require in the future to give effect to this Agreement and any security required by us.

(d) Right of Set-Off

- (i) You Shall Not Set-Off** - You agree that your obligation to make payments under this Agreement is absolute and unconditional and shall not be affected by any right of set-off, compensation, counterclaim or other right which you have or believe you have against us.

(ii) **We May Set-Off** - We have a right of set-off. This means that we may apply any and all credits, deposits and other indebtedness we receive for you to reduce or pay any obligation or liability you owe to us under this Agreement. We will give you a written notice that we have exercised this right.

(e) Successors, Assigns and Enurement

We may assign all or a part of our rights and obligations under this Agreement. You may not assign any of your rights or obligations under this Agreement without our prior written consent. This Agreement shall be binding upon and enure to the benefit of you and your successors and permitted assigns.

(f) Notice

You agree that any notice given under this Agreement must be in writing and delivered to the address set out under your signature above. Any party may change its designated address by giving written notice of the change to the other parties.

(g) Governing Law

This Agreement shall be governed by the laws of the province of Manitoba, and the laws of Canada applicable therein. You agree to submit to the jurisdiction of Manitoba.

(h) Amendment and Waiver

You may not amend or waive any part of this Agreement without our written consent. No failure or delay by us to exercise any of our rights or powers under this Agreement is a waiver of our right to do so in the future.

(i) Severability

If any part of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, that part shall be severed and shall not invalidate or affect any of the other parts of this Agreement.

(j) Time

Time shall be of the essence in all provisions of this Agreement.

(k) Interpretation

This Agreement is to be read with all changes in gender or number as required by context.

(l) Compliance with Laws

You shall obtain and comply with all necessary municipal, provincial and federal laws, including obtaining all required business, building, expansion, operating and other permits and licenses. You agree that the Property complies with all zoning and building by-laws and other regulations.

(m) Customer Declaration

FCC acts with integrity, balancing business decisions with individual needs to achieve our vision of sustainable growth and prosperity for Canada's agriculture industry.

Our committed partnership begins with complete disclosure on all aspects of your business. We lend only to individuals with personal integrity. We do not lend to those whose business or other activities will negatively impact FCC's reputation and detract from the corporation's ability to attract and retain other customers.

For example, FCC will not finance people or businesses that:

- attempt to defraud FCC by inflating the value of land or equipment that they pledge as security, or otherwise mislead FCC as to the true value of their assets
- deliberately violate provincial or federal laws or regulations regarding the care and treatment of animals
- deliberately or recklessly pollute the environment
- are involved in grow-ops
- willfully violate employee or human rights
- are otherwise engaged in activities that could harm FCC's reputation and commitment to promoting the interests of ordinary, ethical producers and agribusiness operators in Canada.

Before obtaining FCC financing, we require:

- your acknowledgement that you have read this statement;
- your confirmation that you know of no reason why FCC may have any concern with your business; and

- your confirmation that you are not involved in any of the examples listed above

(n) Canadian Currency

All Loans have been made in Canadian dollars and you agree to pay us in Canadian dollars unless the Specific Loan Features state otherwise.

(o) Venture Capital Investments

We may make venture capital investments in Canadian companies. These investments are made directly through FCC Ventures, a division of us, and indirectly through Avrio Ventures Limited Partnership, a venture capital fund in which we have invested, or any other funds that we may invest in from time to time. Information about our venture capital investments can be found on FCC Ventures public website www.fcc-fac.ca/en/Products/Ventures/index.asp. We may have made or may make loans or venture capital investments in businesses with which you have dealings. We accept no responsibility for any dealings you may have with a business in which we, FCC Ventures, Avrio Ventures Limited Partnership or any other fund that we invest in, has made a loan or venture capital investment.

(p) Entire Agreement

This Agreement, the security and any other written agreements delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between you and us with respect to the Loans. There are no verbal agreements, undertakings or representations.

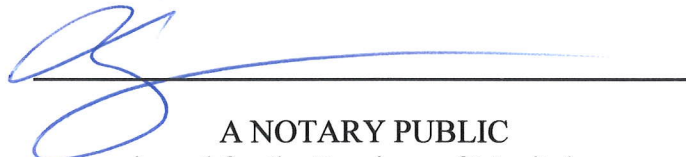
Schedule B - Standard loan features

1. Hog Industry Loan Loss Reserve Program (HILLRP) – Loan #385187

The Borrower acknowledges and agrees that this loan is being made pursuant to the Hog Industry Loan Loss Reserve Program (HILLRP) and as such the Borrower agrees to be bound by all of the terms and conditions of that program, including but not limited to the following:

- (a) That you have provided information and a business plan to FCC to show that you have a viable hog operation and working capital to sustain your hog operation for 12 months from the advance of this loan.
- (b) That you do not have any outstanding advances under the Advance Payments Program (APP) or that if you do, those advances will be repaid prior to FCC making any advance under this loan or that FCC may repay those advance directly from the proceeds of this loan.
- (c) That you are eligible for a loan under HILLRP and that this loan will not exceed the maximum amount you are entitled to receive from all lenders able to make loans under HILLRP
- (d) That you consent to FCC disclosing to the Government of Canada any and all information you have provided to FCC in order for FCC to fulfill its obligations to the Government of Canada under HILLRP in any way related to your eligibility for a loan under HILLRP.
- (e) That you agree that there will be no changes to the payment structure or the amortization term to any loan authorized under the HILLRP regulations during its life time or the credit to the Loan Loss Reserve Fund is lost.

**THIS IS EXHIBIT "12" 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

THIS AGREEMENT made this 25 day of July, A.D. 2011.

BETWEEN:

FARM CREDIT CANADA

(hereinafter "FCC")

OF THE FIRST PART,

- and -

**THE PURATONE CORPORATION and
PEMBINA VALLEY PIGS LTD.**

(hereinafter the "Borrower")

OF THE SECOND PART,

AMENDMENT AGREEMENT

WHEREAS on the 12th day of February, 2010, the parties entered into a Credit Agreement, a copy of which Credit Agreement is attached hereto and marked as Schedule "A" (the "Credit Agreement").

AND WHEREAS the parties hereto wish to amend the Credit Agreement.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the parties hereto, in consideration of the mutual covenants and provisos herein contained and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by all of the parties hereto, do agree, acknowledge and confirm as follows:

1. That the preamble hereto shall form an integral part hereof.

2. That effective as of the date hereof, the Credit Agreement shall be and the same is hereby amended as follows:

(a) That paragraph 3.1(a)(2) be deleted and the following substituted therefor:

"(2) Debt to Equity ratio

Debt to Equity Ratio, on a consolidated basis, at fiscal year-end(s) will not exceed the following:

Fiscal year end, 2012	7.74:1
Fiscal year end, 2013	8.31:1

Fiscal year ends thereafter will be determined upon review of an updated Budget acceptable to FCC.

Debt to Equity Ratio is defined as Total Debt divided by Equity. Debt is defined as total balance sheet debt (not including postponed shareholder loans or deferred taxes). Equity is defined as share capital plus retained earnings plus postponed shareholder loans minus inter-company advances or receivables and minus inter-company investments (unless approved by FCC) and minus intangible assets."

(b) That paragraph 3.1(a)(3) be deleted and the following substituted therefor:

"(3) Debt Service Coverage ratio

Minimum Debt Service Coverage Ratio shall be equal to or exceed 1.10. An annual Debt Service Coverage Ratio is to be calculated annually at the fiscal year end of the Borrower commencing with the year end September 30, 2010 and at every year end thereafter based on the EBITDA divided by an aggregate of the annual fiscal interest expense (excluding any amortization of debt discount), term debt repayment and capital lease payments.

Minimum EBITDA is to be maintained at not less than 70% of the annual approved Business Plan projections, commencing with the fiscal year starting October 1, 2010. For monitoring purposes, EBITDA will be calculated on a rolling 4 quarter basis for each fiscal year.

Debt Service Coverage ratio means funds available to service debt divided by the aggregate of all principal payments and interest expense (excluding any amortization of debt discount) due in one year. Funds available include net income after taxes plus interest (excluding any amortization of debt discount), depreciation and amortization less extraordinary items and sustaining capital

expenditures. 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:

(A) Income taxes paid or payable or refunds received or receivable in respect of incomes taxes;

(B) Interest expenses (excluding any amortization of debt discount), waiver fees and commitment and other fees payable to the banks or otherwise;

(C) Depreciation and amortization expenses (including without limitation, the amortized portion of professional fees, bank charges, securitization charges and restructuring charges);

(D) 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; and

(E) By including Agri Stability payments on an "as received" basis.

3. That each of The Puratone Corporation and Pembina Valley Pigs Ltd. hereby ratify, confirm, acknowledge and agree that they are and continue to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by them pursuant to the Credit Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security, mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Credit Agreement (herein, collectively, the "Security Documents") and each of The Puratone Corporation and Pembina Valley Pigs Ltd. acknowledge that FCC is relying expressly upon the Credit Agreement and this Amendment Agreement.

4. That as and from the date hereof, all references to the Credit Agreement in any of the Security Documents shall be construed as being a reference to the Credit Agreement as hereby amended.

5. That this Amendment Agreement is made under express reserve of all the terms and conditions of the Credit Agreement and all rights in favour of FCC hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all present and future obligations under or pursuant to the Credit Agreement as hereby amended, shall continue to be secured by the Security Documents. All of the provisions hereof are without novation.

6. That The Puratone Corporation is the sole owner of all of the issued and outstanding shares of Forest Lane Farm Ltd. ("Forest Lane"). Forest Lane has not actively carried on business since it was incorporated. Forest Lane intends to complete the purchase of a 7200 head nursery facility located near St. Anne, Manitoba from Niverville Credit Union Limited. The Puratone Corporation has promised and agreed to provide to FCC concurrent upon the execution of this Amendment Agreement a Guarantee from Forest Lane to FCC of the indebtedness owing by the Borrower to FCC from time to time supported by a Security Agreement from Forest Lane in favour of FCC.

7. That all other terms and conditions of the Credit Agreement remain in full force and effect, unamended and unchanged.

IN WITNESS WHEREOF this has been executed, sealed and delivered by the parties hereto on the date indicated above.

FARM CREDIT CANADA

Per: R. Usher.
Name: Rob Usher
Title: Manager, Special Credit.

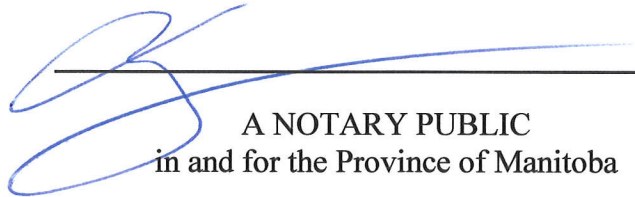
THE PURATONE CORPORATION

Per: R
Name: Ray Hildebrand
Title: President

PEMBINA VALLEY PIGS LTD.

Per: R
Name: Ray Hildebrand
Title: President

**THIS IS EXHIBIT "13" 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

PROTECTED

TO: FARM CREDIT CANADA ("FCC")

Customer/Loan Number: 100062704.275233 & 275234

(GRANTED BY:

The Puratone Corporation
Box 460
Niverville, MB R0A 1E0

1. SECURITY

For value received the undersigned (the "Debtor") grants to Farm Credit Canada ("FCC") a security interest in the personal property described below and, without limiting the generality of the foregoing, all present and future accessions to, and all proceeds of any such property (hereinafter collectively called the "Collateral") as general and continuing collateral security for the due payment and performance of the Debtor's present and future Liabilities to FCC.

- RJA* ● (a) Specific Personal Property: the personal property described in Schedule "A" attached hereto, and all proceeds thereof;
- RJA* ○ (b) Quotas and Licences: an assignment of quotas and/or licences, including increases thereto, and all proceeds thereof, particulars of which quotas or licences are described in Schedule "B" attached hereto;
- RJA* ● (c) All Present and After Acquired Personal Property: all of the Debtor's present and after-acquired personal property and assets wheresoever situated, including, but without limiting the generality of the foregoing, all accessions, accounts, buildings, building materials, chattel paper, crops, documents of title, equipment, fixtures, goods, instruments, intangibles, inventory, licences, livestock, money, securities, and all proceeds thereof.
- _____ ○ (d) Purchase Money Security Interest: the Debtor grants to FCC a purchase money security interest in the Collateral.

Debtor to initial the appropriate box or boxes to indicate which of paragraphs (a), (b), (c) and/or (d) are to apply. Paragraph (c) shall be deemed to apply if no box is initialed.

2. INDEBTEDNESS SECURED

The security interest granted by the Debtor to FCC hereby secures the performance and/or payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to FCC (including interest thereon), present and/or future advances, direct or indirect, absolute or contingent, matured or not, extended or renewed. This security interest applies and extends to all indebtedness and liability of the Debtor to FCC, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal, surety or guarantor. The Debtor further agrees to pay and discharge all of the said indebtedness to FCC and all interest, fees, charges and other expenses payable in connection with such indebtedness, all in accordance with the terms of payment agreed upon between the parties pursuant to any and all loan agreements, mortgages, notes, and other instruments documenting all other debts and Liabilities of the Debtor to FCC arising as a consequence of any dealings between them.

3. OWNERSHIP OF THE COLLATERAL

The Debtor represents and warrants that the Debtor is the owner of the Collateral and, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral, free of any mortgage, lien, charge, security interest or trust, except those in favour of FCC or incurred with FCC's prior written consent.

4. USE OF COLLATERAL

(The Debtor will not, without FCC's prior written consent, sell, lease, part with possession or otherwise dispose of any of the Collateral, other than products and inventory which may lawfully be sold, leased or otherwise disposed of in the ordinary course of the Debtor's business. All proceeds of the Collateral, whether or not arising in the ordinary course of the Debtor's business shall be received by the Debtor, as trustee, for FCC and shall be forthwith paid to FCC.

5. INSURANCE

The Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral or as FCC may reasonably require, to the full insurable value thereof, and shall either assign the insurance policies to FCC or have the proceeds thereunder made payable to FCC as FCC may require. The Debtor will, from time to time, at FCC's request, deliver such policies or satisfactory evidence of such policies to FCC. If the Debtor neglects or fails to maintain such insurance, FCC may do so, but is not obligated to do so. The Debtor agrees to immediately reimburse FCC for any amounts so paid, failing which any such amount shall form part of the Debtor's indebtedness to FCC and shall be a charge on the Collateral. The Debtor will promptly give FCC written notice of any loss or damage to all or any part of the Collateral.

6. RECEIVABLES

In the event of default by the Debtor, FCC may collect, realize, sell or otherwise deal with the receivables in such manner and upon such terms and conditions FCC considers appropriate. FCC may advise any person or corporation who is liable to make any payment to the Debtor of the existence of this agreement and FCC may from time to time, without the necessity of the Debtor being in default, confirm with such persons or corporations the existence and the amount of the receivables. All amounts collected or received by FCC as proceeds of the Collateral will be applied on account of the Debtor's Liabilities, in such manner and at such times as FCC may consider appropriate, or, at FCC's option, may be held unappropriated in a suspense or security account or released to the Debtor, all without prejudice to the liability of the Debtor or to FCC's rights to hold and realize the Collateral.

7. DEBTOR'S COVENANTS

The Debtor covenants and agrees with FCC that, during the continuance of this agreement, the Debtor:

- (a) will carry on and continuously conduct its business in an efficient manner and will maintain and repair and keep in repair and good working order and condition the Collateral secured by this agreement;
- (b) will keep the Collateral at the Debtor's place of business within the Province of Manitoba, and will not remove the Collateral or any part thereof from the said province without FCC's consent;
- (c) will not, without the prior written consent of FCC, make capital expenditures or pay on capital account any amount at all if the Debtor is in default under this agreement;
- (d) will permit FCC, by its officers and/or authorized agents, to enter the Debtor's premises and to inspect the Collateral, plant, machinery, equipment, goods and chattels and the operation thereof; at any time and from time to time;
- (e) will keep proper books of account and records covering all its business and affairs, and will permit FCC, by its officers and/or authorized agents, from time to time, to inspect the Debtor's books of account and records and to make extracts therefrom;
- (f) will pay promptly when due all taxes, licence fees, assessments or other charges upon or with respect to the property secured by this agreement;
- (g) has obtained and will maintain all environmental permits, licences, authorities and clearances as may be required for the Debtor to lawfully carry on its business and the Debtor confirms that it has been and will continue to be in compliance with all applicable environmental laws, regulations, rules and guidelines;
- (h) indemnify and save FCC harmless from all claims, demands, liability and damages whatsoever which may arise or be incurred in connection with the use and operation of the Collateral or arising under this agreement;
- (i) will do all acts necessary to raise and fatten livestock and to grow, cultivate, spray, irrigate, cut, harvest, pick, clean, preserve and protect crops, all according to the most approved methods of farming husbandry and to keep the farm on which the Collateral is located free of noxious weeds;

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- (j) will provide suitable range, pasture, and feed for all livestock and care for and protect them from disease, damage, injury, death, destruction by weather, wild animals, theft or other cause; and
- (k) will market such livestock as FCC shall authorize or direct.

8. COSTS

The Debtor agrees to pay to FCC all costs and expenses incurred by FCC under this agreement, including, but without limitation, legal fees on a solicitor and his own client basis, and all costs charged or incurred by FCC in connection with any act deemed necessary or appropriate by FCC under this agreement in order to register, perfect, maintain and/or enforce this security interest in the Collateral or to preserve, secure, insure and/or recover said Collateral. All such amounts shall be a charge against the Collateral and shall bear interest, from time to time, at the interest rate then applicable to the Debtor's indebtedness to FCC and the Debtor shall reimburse FCC upon demand for any amounts so incurred.

9. PURCHASE MONEY INTEREST

If FCC gives value for the purposes of enabling the Debtor to acquire rights in or to any of the Collateral, the Debtor will in fact apply such value to acquire those rights and will provide FCC with such evidence in this regard as FCC may require, and the Debtor grants to FCC and FCC takes, a purchase money security interest, in such Collateral to the extent that the value is applied to acquire such rights.

10. DEFAULT

(a) Events of Default

The happening of any of the following events or conditions shall constitute default hereunder, which is hereinafter referred to as "Default", and the principal, interest and other moneys hereby secured shall, at the option of FCC, immediately become due and payable, without demand, and the security shall become enforceable, namely:

- (i) The non-payment, when due, whether by acceleration or otherwise, of any principal or interest forming part of the Debtor's indebtedness;
- (ii) The failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this agreement, or any other agreement or instrument between the Debtor and FCC;
- (iii) If any representation, warranty or statement made by, or on behalf of, the Debtor to FCC is untrue in any material respect;
- (iv) On Debtor's death, or if the Debtor is declared incompetent by a Court of competent jurisdiction;
- (v) If the Debtor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada), or similar legislation in Canada, or any other jurisdiction; or, if a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, steps are taken under any legislation by or against the Debtor seeking its liquidation, winding up, dissolution or reorganization, or any arrangement or composition of its debts;
- (vi) If a receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Debtor's property;
- (vii) If the Debtor sells, transfers, assigns, or in any way parts with possession of, or removes from the Province of Manitoba, the Collateral or any part thereof, without FCC's consent;
- (viii) If the Debtor is a corporation and there is, in FCC's reasonable opinion, a change in effective control of the Debtor, or if the Debtor is a partnership, there is a dissolution or change in the membership of the partnership;

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- (ix) If any encumbrance affecting the Collateral becomes enforceable against the Collateral or a holder of a charge takes possession of all or any part of the Debtor's property, or a distress, execution or other similar process is levied against all or any part of such property;
- (x) If the Debtor ceases, or threatens to cease, to carry on its business in the normal course;
- (xi) If FCC, in good faith, and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or the Collateral is or is about to be placed in jeopardy.

(b) **Rights Upon Default**

Upon Default, FCC, and/or a receiver, will, to the extent permitted by law, have the following rights, and all other rights and remedies as provided for in the PPSA, and any other legislation and in equity.

- (i) **Appointment of Receiver** - FCC may appoint in writing a person to be a receiver (which term shall include a receiver manager) of the Collateral, including any rights to profits thereof, and may remove any receiver and appoint another receiver. Any such receiver shall, for all purposes, be deemed to be the agent of the Debtor. FCC may, from time to time, fix the remuneration of such receiver and the Debtor shall pay FCC the amount of such remuneration. FCC shall not be liable to the Debtor or any other person in connection with the appointment, or non-appointment of a receiver or in connection with the receiver's actions or omissions.
- (ii) **Dealing with the Collateral** - FCC, or a receiver, may take possession of all or any part of the Collateral and retain it for as long as FCC or the receiver considers appropriate, receive any rents and profits from the Collateral, carry on or concur in carrying on the business of the Debtor and sell, lease or otherwise dispose of the Collateral, or any part thereof, on such terms and conditions as FCC, or the receiver, considers appropriate. FCC, or the receiver, shall, in all instances, be afforded access to the Debtor's place of business.
- (iii) **Realization** - FCC, or a receiver, may use, collect, sell, lease or otherwise dispose of, realize upon or release to the Debtor or other persons and otherwise deal with the Collateral in such manner and upon such terms and at such times as FCC or the receiver considers appropriate. Any such sale, lease or other disposition of the Collateral may be made in the name of or on behalf of the Debtor, or otherwise.
- (iv) **Application of Proceeds After Default** - All proceeds of the Collateral received by FCC or a receiver shall be applied firstly to discharge or satisfy any expenses, including the receiver's remuneration and other expenses of enforcing FCC's rights under this agreement, rents, taxes, insurance premiums and outgoings affecting the Collateral, which are considered appropriate by FCC or the receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition or to keep in good standing any charges on the Collateral ranking in priority to any charge created by this agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of any proceeds received by FCC, or a receiver, shall be applied to the Debtor's Liabilities in such manner and at such times as FCC or a receiver considers appropriate.
- (v) **Deficiencies** - The Debtor will remain liable to FCC for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.

11. NOTICES

FCC may send to the Debtor by prepaid regular mail, addressed to the Debtor's address as set forth in the Debtor's loan application to FCC or at the last address for the Debtor contained on the files of FCC, copies of any document required by the PPSA to be delivered by FCC to the Debtor and any notices made pursuant to this agreement.

12. EXTENSIONS AND MODIFICATIONS

- (a) FCC may grant extensions of time, or other indulgences, take and give up security, compromise, settle, grant, release and discharge or otherwise deal with the Debtor, debtors of the Debtor, securities and other security as FCC may deem fit and appropriate without prejudice to the liability of the Debtor or FCC's right to hold or realize against the Collateral under this agreement.
- (b) No modification, variation or amendment of any provisions of this agreement shall be made except by a written agreement executed by FCC and the Debtor and no waiver of any provisions hereof shall be effective unless in writing.

13. NO OBLIGATION TO ADVANCE

Neither the execution, delivery, or registration of this agreement shall oblige FCC to advance funds to the Debtor if FCC determines, in its sole discretion, that it is not in its best interest to do so.

14. SEVERANCE

If a term or other provision of this agreement is invalid, illegal or unenforceable by any reason of any rule of law or public policy, it may be severed, in which event all other terms and provisions of this agreement shall, nevertheless, remain in full force and effect and no term or provisions shall be deemed dependent upon any other term or provisions unless so expressed herein.

15. GENERAL

- (a) This agreement is in addition to and without prejudice to any other charge, security interest or agreement now or later held by FCC.
- (b) The Debtor acknowledges receipt of a copy of this agreement, and waives its rights to receive a copy of the financing statement, verification statement and any financing change statement relating hereto.
- (c) FCC shall not be liable to the Debtor, or any other person, for any failure or delay in exercising any rights under this agreement, or any failure to take, or to delay in taking any steps, necessary or advisable to preserve rights against the Debtor or other persons.
- (d) If more than one person executes this agreement, their obligations hereunder shall be joint and several.
- (e) The Debtor shall, from time to time, forthwith on FCC's request, do, make and execute all such other documents, further assignments, acts, matters and things as may be required by FCC of or with respect to the Collateral or any part thereof or as may be required to give effect to this agreement. The Debtor hereby constitutes and appoints FCC or any receiver appointed by the Court or FCC as set out herein, the true and lawful attorney of the Debtor irrevocably with full power of substitution, to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (f) The headings used in this agreement are for convenience only and are not to be considered a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.
- (g) When the context so requires, the singular shall be read as the plural and vice versa.
- (h) The Debtor agrees that the provisions of Schedules A and B hereto, if applicable, shall be incorporated into and form part of this agreement.
- (i) Any information released by FCC is provided solely for the use of the addressee thereof and may not be used or relied upon by any other parties without prior written consent of FCC and is only effective to the date of its release.
- (j) This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

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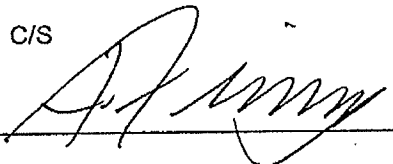
16. DEFINITIONS

- (a) "PPSA" means The Personal Property Security Act and any Act that may be substituted therefore, as from time to time amended, in effect in the province in which the Collateral is situated.
- (b) "accessions, account, building, building materials, chattel paper, collateral, crops, documents of title, equipment, fixture, goods, instrument, intangible, inventory, licence, livestock, money, security, proceeds, security and security interest" and all other terms used herein as may be defined in the PPSA shall have the respective meanings given to them in the PPSA.
- (c) "Books and Records" means all the books, records, files, papers and documents evidencing or relating to the Collateral which the Debtor, or any person on the Debtor's behalf, has access.
- (d) "Receivables" means all debts.
- (e) "Liabilities" means all present and future indebtedness and liability of every kind, nature and description, whether direct, indirect, joint or several, contingent or absolute, matured or unmatured of the Debtor, wherever and however incurred and unpaid balance thereof.

IN WITNESS WHEREOF the undersigned has executed this agreement this May 3, 2006

IF THE DEBTOR IS A CORPORATION: **The Puratone Corporation**

C/S

Per: 

Authorized Officer - Position: _____

Per: 

Authorized Officer - Position: _____

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SCHEDULE "A"

Specific Personal Property

Quantity	Description	Serial Number
1	All equipment integral to the Hog Barns and the Feed Mills located on the real estate security described in the Credit Agreement dated December 22, 2005, as amended: including, but not limited to bulk tanks, waterworks, feed mill equipment, feed systems, penning, sow crates, etc., all power motors, now owned or hereafter acquired or re-acquired by the Borrower including all proceeds, all substitutions and replacements thereof and accessions thereto	

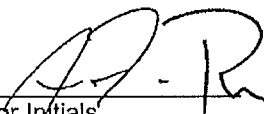
SCHEDULE "B"

Quotas and Licences

1. Description of Collateral: N / A

ADDITIONAL COVENANTS BY DEBTOR APPLICABLE TO THE ABOVE COLLATERAL.

2. The Debtor agrees to maintain all quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board or authority issuing such quota/licence.
3. The Debtor agrees to not apply to the Board/licensing authority for the transfer of the quota/licence, in whole or in part, without the prior written consent of FCC.
4. The security hereby granted shall extend to and include all future acquired quota/licence rights issued by the same Board/licensing authority.
5. The Debtor will, concurrent with this security agreement, execute a power of attorney in favour of FCC to enable FCC to exercise all rights of the Debtor in respect of such Quota/License in the event of default by the Debtor hereunder.


 Debtor Initials

**THIS IS EXHIBIT "14" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 4 DAY OF SEPTEMBER, 2012**



A NOTARY PUBLIC
in and for the Province of Manitoba

SECURITY AGREEMENT

PROTECTED

TO: FARM CREDIT CANADA ("FCC")

Customer Number: 100062704

GRANTED BY:

PEMBINA VALLEY PIGS LTD.

1. SECURITY

For value received the undersigned (the "Debtor") grants to Farm Credit Canada ("FCC") a security interest in the personal property described below and, without limiting the generality of the foregoing, all present and future accessions to, and all proceeds of any such property (hereinafter collectively called the "Collateral") as general and continuing collateral security for the due payment and performance of the Debtor's present and future Liabilities to FCC.

- (a) Specific Personal Property: the personal property described in Schedule "A" attached hereto, and all proceeds thereof;
- (b) Quotas and Licences: an assignment of quotas and/or licences, including increases thereto, and all proceeds thereof, particulars of which quotas or licences are described in Schedule "B" attached hereto;
- (c) All Present and After Acquired Personal Property: all of the Debtor's present and after-acquired personal property and assets wheresoever situated, including, but without limiting the generality of the foregoing, all accessions, accounts, buildings, building materials, chattel paper, crops, documents of title, equipment, fixtures, goods, instruments, intangibles, inventory, licences, livestock, money, securities, and all proceeds thereof.
- (d) Purchase Money Security Interest: the Debtor grants to FCC a purchase money security interest in the Collateral.

Debtor to initial the appropriate box or boxes to indicate which of paragraphs (a), (b), (c) and/or (d) are to apply. Paragraph (c) shall be deemed to apply if no box is initialed.

2. INDEBTEDNESS SECURED

The security interest granted by the Debtor to FCC hereby secures the performance and/or payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to FCC (including interest thereon), present and/or future advances, direct or indirect, absolute or contingent, matured or not, extended or renewed. This security interest applies and extends to all indebtedness and liability of the Debtor to FCC, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal, surety or guarantor. The Debtor further agrees to pay and discharge all of the said indebtedness to FCC and all interest, fees, charges and other expenses payable in connection with such indebtedness, all in accordance with the terms of payment agreed upon between the parties pursuant to any and all loan agreements, mortgages, notes, and other instruments documenting all other debts and Liabilities of the Debtor to FCC arising as a consequence of any dealings between them.

3. OWNERSHIP OF THE COLLATERAL

The Debtor represents and warrants that the Debtor is the owner of the Collateral and, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral, free of any mortgage, lien, charge, security interest or trust, except those in favour of FCC or incurred with FCC's prior written consent.

4. USE OF COLLATERAL

The Debtor will not, without FCC's prior written consent, sell, lease, part with possession or otherwise dispose of any of the Collateral, other than products and inventory which may lawfully be sold, leased or otherwise disposed of in the ordinary course of the Debtor's business. All proceeds of the Collateral, whether or not arising in the ordinary course of the Debtor's business shall be received by the Debtor, as trustee, for FCC and shall be forthwith paid to FCC.

5. INSURANCE

The Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral or as FCC may reasonably require, to the full insurable value thereof, and shall either assign the insurance policies to FCC or have the proceeds thereunder made payable to FCC as FCC may require. The Debtor will, from time to time, at FCC's request, deliver such policies or satisfactory evidence of such policies to FCC. If the Debtor neglects or fails to maintain such insurance, FCC may do so, but is not obligated to do so. The Debtor agrees to immediately reimburse FCC for any amounts so paid, failing which any such amount shall form part of the Debtor's indebtedness to FCC and shall be a charge on the Collateral. The Debtor will promptly give FCC written notice of any loss or damage to all or any part of the Collateral.

6. RECEIVABLES

In the event of default by the Debtor, FCC may collect, realize, sell or otherwise deal with the receivables in such manner and upon such terms and conditions FCC considers appropriate. FCC may advise any person or corporation who is liable to make any payment to the Debtor of the existence of this agreement and FCC may from time to time, without the necessity of the Debtor being in default, confirm with such persons or corporations the existence and the amount of the receivables. All amounts collected or received by FCC as proceeds of the Collateral will be applied on account of the Debtor's Liabilities, in such manner and at such times as FCC may consider appropriate, or, at FCC's option, may be held unappropriated in a suspense or security account or released to the Debtor, all without prejudice to the liability of the Debtor or to FCC's rights to hold and realize the Collateral.

7. DEBTOR'S COVENANTS

The Debtor covenants and agrees with FCC that, during the continuance of this agreement, the Debtor:

- (a) will carry on and continuously conduct its business in an efficient manner and will maintain and repair and keep in repair and good working order and condition the Collateral secured by this agreement;
- (b) will keep the Collateral at the Debtor's place of business within the Province of Manitoba, and will not remove the Collateral or any part thereof from the said province without FCC's consent;
- (c) will not, without the prior written consent of FCC, make capital expenditures or pay on capital account any amount at all if the Debtor is in default under this agreement;
- (d) will permit FCC, by its officers and/or authorized agents, to enter the Debtor's premises and to inspect the Collateral, plant, machinery, equipment, goods and chattels and the operation thereof; at any time and from time to time;
- (e) will keep proper books of account and records covering all its business and affairs, and will permit FCC, by its officers and/or authorized agents, from time to time, to inspect the Debtor's books of account and records and to make extracts therefrom;
- (f) will pay promptly when due all taxes, licence fees, assessments or other charges upon or with respect to the property secured by this agreement;
- (g) has obtained and will maintain all environmental permits, licences, authorities and clearances as may be required for the Debtor to lawfully carry on its business and the Debtor confirms that it has been and will continue to be in compliance with all applicable environmental laws, regulations, rules and guidelines;
- (h) indemnify and save FCC harmless from all claims, demands, liability and damages whatsoever which may arise or be incurred in connection with the use and operation of the Collateral or arising under this agreement;
- (i) will do all acts necessary to raise and fatten livestock and to grow, cultivate, spray, irrigate, cut, harvest, pick, clean, preserve and protect crops, all according to the most approved methods of farming husbandry and to keep the farm on which the Collateral is located free of noxious weeds;

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- (j) will provide suitable range, pasture, and feed for all livestock and care for and protect them from disease, damage, injury, death, destruction by weather, wild animals, theft or other cause; and
- (k) will market such livestock as FCC shall authorize or direct.

8. COSTS

The Debtor agrees to pay to FCC all costs and expenses incurred by FCC under this agreement, including, but without limitation, legal fees on a solicitor and his own client basis, and all costs charged or incurred by FCC in connection with any act deemed necessary or appropriate by FCC under this agreement in order to register, perfect, maintain and/or enforce this security interest in the Collateral or to preserve, secure, insure and/or recover said Collateral. All such amounts shall be a charge against the Collateral and shall bear interest, from time to time, at the interest rate then applicable to the Debtor's indebtedness to FCC and the Debtor shall reimburse FCC upon demand for any amounts so incurred.

9. PURCHASE MONEY INTEREST

If FCC gives value for the purposes of enabling the Debtor to acquire rights in or to any of the Collateral, the Debtor will in fact apply such value to acquire those rights and will provide FCC with such evidence in this regard as FCC may require, and the Debtor grants to FCC and FCC takes, a purchase money security interest, in such Collateral to the extent that the value is applied to acquire such rights.

10. DEFAULT

(a) Events of Default

The happening of any of the following events or conditions shall constitute default hereunder, which is hereinafter referred to as "Default", and the principal, interest and other moneys hereby secured shall, at the option of FCC, immediately become due and payable, without demand, and the security shall become enforceable, namely:

- (i) The non-payment, when due, whether by acceleration or otherwise, of any principal or interest forming part of the Debtor's indebtedness;
- (ii) The failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this agreement, or any other agreement or instrument between the Debtor and FCC;
- (iii) If any representation, warranty or statement made by, or on behalf of, the Debtor to FCC is untrue in any material respect;
- (iv) On Debtor's death, or if the Debtor is declared incompetent by a Court of competent jurisdiction;
- (v) If the Debtor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada), or similar legislation in Canada, or any other jurisdiction; or, if a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, steps are taken under any legislation by or against the Debtor seeking its liquidation, winding up, dissolution or reorganization, or any arrangement or composition of its debts;
- (vi) If a receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Debtor's property;
- (vii) If the Debtor sells, transfers, assigns, or in any way parts with possession of, or removes from the Province of Manitoba, the Collateral or any part thereof, without FCC's consent;
- (viii) If the Debtor is a corporation and there is, in FCC's reasonable opinion, a change in effective control of the Debtor, or if the Debtor is a partnership, there is a dissolution or change in the membership of the partnership;

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- (ix) If any encumbrance affecting the Collateral becomes enforceable against the Collateral or a holder of a charge takes possession of all or any part of the Debtor's property, or a distress, execution or other similar process is levied against all or any part of such property;
- (x) If the Debtor ceases, or threatens to cease, to carry on its business in the normal course;
- (xi) If FCC, in good faith, and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or the Collateral is or is about to be placed in jeopardy.

(b) Rights Upon Default

Upon Default, FCC, and/or a receiver, will, to the extent permitted by law, have the following rights, and all other rights and remedies as provided for in the PPSA, and any other legislation and in equity.

- (i) Appointment of Receiver - FCC may appoint in writing a person to be a receiver (which term shall include a receiver manager) of the Collateral, including any rights to profits thereof, and may remove any receiver and appoint another receiver. Any such receiver shall, for all purposes, be deemed to be the agent of the Debtor. FCC may, from time to time, fix the remuneration of such receiver and the Debtor shall pay FCC the amount of such remuneration. FCC shall not be liable to the Debtor or any other person in connection with the appointment, or non-appointment of a receiver or in connection with the receiver's actions or omissions.
- (ii) Dealing with the Collateral - FCC, or a receiver, may take possession of all or any part of the Collateral and retain it for as long as FCC or the receiver considers appropriate, receive any rents and profits from the Collateral, carry on or concur in carrying on the business of the Debtor and sell, lease or otherwise dispose of the Collateral, or any part thereof, on such terms and conditions as FCC, or the receiver, considers appropriate. FCC, or the receiver, shall, in all instances, be afforded access to the Debtor's place of business.
- (iii) Realization - FCC, or a receiver, may use, collect, sell, lease or otherwise dispose of, realize upon or release to the Debtor or other persons and otherwise deal with the Collateral in such manner and upon such terms and at such times as FCC or the receiver considers appropriate. Any such sale, lease or other disposition of the Collateral may be made in the name of or on behalf of the Debtor, or otherwise.
- (iv) Application of Proceeds After Default - All proceeds of the Collateral received by FCC or a receiver shall be applied firstly to discharge or satisfy any expenses, including the receiver's remuneration and other expenses of enforcing FCC's rights under this agreement, rents, taxes, insurance premiums and outgoings affecting the Collateral, which are considered appropriate by FCC or the receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition or to keep in good standing any charges on the Collateral ranking in priority to any charge created by this agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of any proceeds received by FCC, or a receiver, shall be applied to the Debtor's Liabilities in such manner and at such times as FCC or a receiver considers appropriate.
- (v) Deficiencies - The Debtor will remain liable to FCC for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.

11. NOTICES

FCC may send to the Debtor by prepaid regular mail, addressed to the Debtor's address as set forth in the Debtor's loan application to FCC or at the last address for the Debtor contained on the files of FCC, copies of any document required by the PPSA to be delivered by FCC to the Debtor and any notices made pursuant to this agreement.

Customer Number: 100062704

2. EXTENSIONS AND MODIFICATIONS

- (a) FCC may grant extensions of time, or other indulgences, take and give up security, compromise, settle, grant, release and discharge or otherwise deal with the Debtor, debtors of the Debtor, securities and other security as FCC may deem fit and appropriate without prejudice to the liability of the Debtor or FCC's right to hold or realize against the Collateral under this agreement.
- (b) No modification, variation or amendment of any provisions of this agreement shall be made except by a written agreement executed by FCC and the Debtor and no waiver of any provisions hereof shall be effective unless in writing.

13. NO OBLIGATION TO ADVANCE

Neither the execution, delivery, or registration of this agreement shall oblige FCC to advance funds to the Debtor if FCC determines, in its sole discretion, that it is not in its best interest to do so.

14. SEVERANCE

If a term or other provision of this agreement is invalid, illegal or unenforceable by any reason of any rule of law or public policy, it may be severed, in which event all other terms and provisions of this agreement shall, nevertheless, remain in full force and effect and no term or provisions shall be deemed dependent upon any other term or provisions unless so expressed herein.

15. GENERAL

- (a) This agreement is in addition to and without prejudice to any other charge, security interest or agreement now or later held by FCC.
- (b) The Debtor acknowledges receipt of a copy of this agreement, and waives its rights to receive a copy of the financing statement, verification statement and any financing change statement relating hereto.
- (c) FCC shall not be liable to the Debtor, or any other person, for any failure or delay in exercising any rights under this agreement, or any failure to take, or to delay in taking any steps, necessary or advisable to preserve rights against the Debtor or other persons.
- (d) If more than one person executes this agreement, their obligations hereunder shall be joint and several.
- (e) The Debtor shall, from time to time, forthwith on FCC's request, do, make and execute all such other documents, further assignments, acts, matters and things as may be required by FCC or as may be required to give effect to this agreement. The Debtor hereby constitutes and appoints FCC or any receiver appointed by the Court or FCC as set out herein, the true and lawful attorney of the Debtor irrevocably with full power of substitution, to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (f) The headings used in this agreement are for convenience only and are not to be considered a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.
- (g) When the context so requires, the singular shall be read as the plural and vice versa.
- (h) The Debtor agrees that the provisions of Schedules A and B hereto, if applicable, shall be incorporated into and form part of this agreement.
- (i) Any information released by FCC is provided solely for the use of the addressee thereof and may not be used or relied upon by any other parties without prior written consent of FCC and is only effective to the date of its release.
- (j) This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

Customer Number: 100062704

16. DEFINITIONS

- (a) "PPSA" means The Personal Property Security Act and any Act that may be substituted therefore, as from time to time amended, in effect in the province in which the Collateral is situated.
- (b) "accessions, account, building, building materials, chattel paper, collateral, crops, documents of title, equipment, fixture, goods, instrument, intangible, inventory, licence, livestock, money, security, proceeds, security and security interest" and all other terms used herein as may be defined in the PPSA shall have the respective meanings given to them in the PPSA.
- (c) "Books and Records" means all the books, records, files, papers and documents evidencing or relating to the Collateral which the Debtor, or any person on the Debtor's behalf, has access.
- (d) "Receivables" means all debts.
- (e) "Liabilities" means all present and future indebtedness and liability of every kind, nature and description, whether direct, indirect, joint or several, contingent or absolute, matured or unmatured of the Debtor, wherever and however incurred and unpaid balance thereof.

IN WITNESS WHEREOF the undersigned has executed this agreement this November 10, 2007.

Witness : _____

Signature: _____

Print name: _____

Full Legal Name:
Address:
Date of Birth:

Witness : _____

Signature: _____

Print name: _____

Full Legal Name:
Address:
Date of Birth:

Witness : _____

Signature: _____

Print name: _____

Full Legal Name:
Address:
Date of Birth:

Witness : _____

Signature: _____

Print name: _____

Full Legal Name:
Address:
Date of Birth:



Customer Number: 100062704

IF THE DEBTOR IS A CORPORATION: PEMBINA VALLEY PIGS LTD.
CORPORATE NAME IN FULL

C/S

Per: _____

Authorized Officer - Position: Ab Freig, President

Per: _____  

Authorized Officer - Position: Ray Hildebrand, Secretary

Customer Number: 100062704

SCHEDULE "A"
Specific Personal Property

Quantity	Description	Serial Number

SCHEDULE "B"
Quotas and Licences

1. Description of Collateral:

ADDITIONAL COVENANTS BY DEBTOR APPLICABLE TO THE ABOVE COLLATERAL.

2. The Debtor agrees to maintain all quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board or authority issuing such quota/licence.
3. The Debtor agrees to not apply to the Board/licensing authority for the transfer of the quota/licence, in whole or in part, without the prior written consent of FCC.
4. The security hereby granted shall extend to and include all future acquired quota/licence rights issued by the same Board/licensing authority.
5. The Debtor will, concurrent with this security agreement, execute a power of attorney in favour of FCC to enable FCC to exercise all rights of the Debtor in respect of such Quota/License in the event of default by the Debtor hereunder.

Debtor Initials 

**THIS IS EXHIBIT "15" 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**

May 6, 2008

Application No.: 58259

The Puratone Corporation
Box 460
Niverville MB R0A 1E0

COPY

Re: Loan for \$2,500,000.00

Advance - Hog Weanling (100000)	\$1,000,000.00
Advance - Hog Weanling (150000)	\$1,500,000.00

We are pleased to confirm the approval of your application for the above loan on the conditions contained herein.

PAYMENT PROVISIONS

Terms: MASC Standard Charge Mortgage Terms No. 3201528.

Loan:	HL-14431-07-1
Principal Amount:	\$2,500,000.00
Amortization Period:	8 Years
Interest Rate:	i) 2.250% up to May 1, 2009 ii) thereafter 4.500% up to May 1, 2011 iii) thereafter 6.000% up to May 1, 2016
Interest Adjustment Date:	May 1, 2008
Interest Only Payment Dates:	November 1, 2008 - May 1, 2011
First Regular Payment Date:	November 1, 2011
Final Payment Date:	May 1, 2016
Amount of Each Regular Payment:	\$293,076.27
Balance Due Date:	May 1, 2016

Payment Date and Period:	First day of November and May (Semi-Annual)
Calculation Period:	compounded Semi-Annual, not in advance

SECURITY

Real Property

A Real Property Mortgage being

A first charge on the land briefly described as

- SS 1 Block 9965 NE 1/4 30-07-04 E (7.77 acres) Land Owned
- SS 1 Block 34434 SE 1/4 31-07-04 E(33606) (1.41 acres) Land Owned
- SS 2 Block 34434 SE 1/4 31-07-04 E(33607) (1.44 acres) Land Owned

A second charge on the land briefly described as

- Pt. NE 33-21-01 W(315800.000) (146.5 acres) Land Owned
- NW 33-21-01 W(315900.000) (156 acres) Land Owned
- Pt. NW 34-21-01 W(316500.000) (48.8 acres) Land Owned
- NE 20-21-03 E(173200.000) (161 acres) Land Owned

- NE 21-21-03 E(173600.000) (160 acres) Land Owned
- Pt. SE 28-21-03 E(174250.000) (80.5 acres) Land Owned
- NE 29-21-03 E(174400.000) (161 acres) Land Owned
- Pt. SE 29-21-03 E(174600.000) (80.5 acres) Land Owned
- Pt. SE 29-21-03 E(174700.000) (80.5 acres) Land Owned
- Pt. SW 14-23-01 E(112820.000) (73.96 acres) Land Owned
- SE 23-25-03 E(274200.000) (159 acres) Land Owned
- SS 1 Block 43542 SS 43542 (55900.000) (7.18 acres) Land Owned
- NW 23-25-20 W(149500.000) (157.58 acres) Land Owned
- SE 04-22-01 W(198800.000) (154.52 acres) Land Owned
- SW 04-22-01 W(198900.000) (153.93 acres) Land Owned
- Pt. SW 02-01-03 E(1000.000) (20 acres) Land Owned
- Pt. NW 24-05-05 E(210300.000) (80.55 acres) Land Owned
- Pt. NW 34-07-04 E(21700.000) (27.81 acres) Land Owned
- Pt. SE 06-06-05 E(128100.000) (80 acres) Land Owned
- Pt. SE 06-06-05 E(128150.000) (80 acres) Land Owned
- Pt. NE 25-05-05 E(210675.000) (74.15 acres) Land Owned
- Pt. NE 25-05-05 E(210700.00) (74.15 acres) Land Owned
- SE 25-05-05 E(211000.000) (154.98 acres) Land Owned
- NE 13-05-07 E(35500.000) (160 acres) Land Owned
- NW 13-05-07 E(35600.000) (160 acres) Land Owned
- SE 13-05-07 E(35700.000) (160 acres) Land Owned
- Pt. SW 13-05-07 E(035800.000) (80 acres) Land Owned
- Pt. SW 13-05-07 E(35850.000) (80 acres) Land Owned
- Pt. SW 16-02-08 W(059460.000) (33.17 acres) Land Owned
- Pt. NW 06-01-01 E(004000.000) (79.09 acres) Land Owned
- Pt. SW 07-01-01 E(005350.000) (90 acres) Land Owned
- Pt. SW 29-03-03 W(219300.000) (80 acres) Land Owned
- Pt. SW 15-07-03 E(006500.000) (58.54 acres) Land Owned
- Pt. NW 30-08-04 E(031200.000) (80 acres) Land Owned
- Pt. NW 29-13-03 E(130600.000) (157.54 acres) Land Owned
- Pt. NW 08-15-03 E(273750.000) (74 acres) Land Owned
- Pt. SW 06-04-04 W(029150.000) (80.44 acres) Land Owned
- NE 32-02-07 E(126100.000) (164.65 acres) Land Owned
- SS 1 Block 11869 SS 1 (.4 acres) Land Owned
- NE 04-13-02 W(37800) (161 acres) Land Owned
- NW 04-13-02 W(37900) (161 acres) Land Owned
- SE 04-13-02 W(38000) (161 acres) Land Owned
- Pt. SW 04-13-02 W(38100) (120 acres) Land Owned
- Pt. SW 04-13-02 W(38150) (40 acres) Land Owned
- SS 1 Block 33837 (117700) (200 acres) Land Owned
- SS 1 Block 33290 SS 33290 (200 acres) Land Owned

subject to no other registered encumbrances except those in favour of FCC.

Security Agreement

A Security Agreement on the collateral described as follows:

- Inventory: All inventory now owned or hereafter acquired including all livestock and the young thereof and all crops;
- Equipment: All equipment (other than consumer goods; which means goods that are used primarily for personal, family or household purposes) now owned or hereafter acquired, including without limitation, all machinery, tools apparatus, plant, furniture, fixtures and vehicles;

Receivables: All debts, accounts, claims and monies now or hereafter due or owing to or owned by the debtor(s);
Intangibles: All contractual rights and insurance claims and all goodwill and quota now owned or hereafter acquired by the debtor(s)

subject to no other registered encumbrances except those in favour of Farm Credit Canada and the Bank of Montreal.

Guarantee

The Guarantee of Pembina Valley Pigs Ltd..

Guarantee

The Guarantee of Niverville Swine Breeders Ltd..

PRE-AUTHORIZED PAYMENTS

Disbursement of this loan is conditional upon you providing MASC pre-authorized payments in an amount sufficient to cover loan payments in full as they become due. You will be notified as to the exact amounts prior to the withdrawal of any funds.

OTHER TERMS AND CONDITIONS

This approval is made on the condition that the information contained in your application for a loan(s) is found to be substantially correct, otherwise the approval may be cancelled.

The following conditions are required by MASC until this loan has been paid in full:

- On an annual basis, or as applicable, that copies of the relevant financing agreements, or amendments thereto, from the lenders, at this time Farm Credit Canada and Bank of Montreal be provided to MASC.
- MASC be advised in writing of any material breach of financial covenants with the primary lenders, and that MASC's loans will be considered in default, until the breach is remedied to the satisfaction of the primary lender.
- Annual audited financial statements be provided to MASC within 120 days after every fiscal year end.
- Internally prepared financial statements be provided to MASC within 30 days of every quarter end.
- An Inter-Lender Agreement be provided to MASC by Farm Credit Canada confirming that total borrowings by The Puratone Corporation, and wholly-owned subsidiaries, are not to exceed \$40 million to Farm Credit Canada.
- That no shareholder loan repayments or dividend payments are to be undertaken without the prior written approval of MASC.

All of the terms and conditions must be fulfilled to MASC's satisfaction. Any commitment as to the availability of loan funds made by you prior to fulfillment of all conditions is entirely your responsibility.

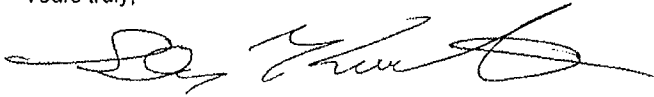
Any funds undisbursed after September 27, 2008 will be cancelled and the amount already disbursed will constitute the outstanding principal balance of the loan.

We will be sending instructions to Norman K. Snyder, Taylor McCaffrey, to do the legal work in connection with your loan. You will be responsible for all costs incurred in providing MASC with the required security. If the loan is terminated or cancelled for any reason whatsoever prior to disbursement of loan proceeds, any legal costs incurred to that date shall be entirely your responsibility.

You are required to provide your solicitor with a duplicate copy of this letter signed by you acknowledging your agreement to proceed with the loan subject to the within terms and conditions. (Solicitor to provide MASC with the signed copy.)

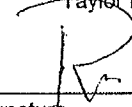
If you have any questions regarding this loan or any of your other financial requirements, please feel free to contact Elaine Kendall at (204) 346-6092.

Yours truly,



MANITOBA AGRICULTURAL SERVICES CORPORATION

c Taylor McCaffrey, 9th Floor 400 St. Mary Ave, Winnipeg MB R3C 4K5



Signature

May 9, 2008

Date

Secretary

Position (The Puratone Corporation)

Signature

Date

Position (The Puratone Corporation)

**THIS IS EXHIBIT "16" 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**



LENDING
100 - 1525 First Street South • Brandon, Manitoba R7A 7A1 • PHONE: 204-726-6850 • FAX: 204-726-6849

August 11, 2008

Application No.: 58716

The Puratone Corporation
Box 460
Niverville, MB
R0A 1E0

Re: Loan for \$2,500,000.00

Advance - Hog Weanling (250000)

\$2,500,000.00

We are pleased to confirm the approval of your application for the above loan on the conditions contained herein.

PAYMENT PROVISIONS

Terms: MASC Standard Charge Mortgage Terms No. 3201528.

Loan:	HL-14431-08-3
Principal Amount:	\$2,500,000.00
Amortization Period:	8 Years
Interest Rate:	6.000% per annum
Interest Adjustment Date:	November 1, 2008
Interest Only Payment Dates:	May 1, 2009 - November 1, 2011
First Regular Payment Date:	May 1, 2012
Final Payment Date:	November 1, 2016
Amount of Each Regular Payment:	\$293,076.27
Balance Due Date:	November 1, 2016

Payment Date and Period:	First day of May and November (Semi-Annual)
Calculation Period:	compounded Semi-Annual, not in advance

SECURITY

Real Property to be registered against HL-14431-08-3

A Real Property Mortgage being

A second charge on the land briefly described as

- Lot 2 Block 2 Plan 34434 (33607) (1.44 acres) Land Owned
- Lot 1 Block 2 Plan 34434 (33606) (1.41 acres) Land Owned
- Lot DES Block 1 Plan 9965 (31250) (7.77 acres) Land Owned

subject to no other registered encumbrances except those in favour of MASC.

Real Property to be registered against HL-14431-08-3 & HL-14431-07-1

The Guarantee of Niverville Swine Breeders Ltd. shall be supported by an All Obligations Collateral Real Property Mortgage for the amount of \$5 million to be prepared by Taylor McCaffrey and subject to MASC's approval being

A second charge on the land briefly described as

- Pt. NW 06-06-04 E(102500) (149 acres) Land Owned
- Pt. NW 10-07-03 E(3000) (76.52 acres) Land Owned
- Pt. SW 12-07-03 E(4650) (40 acres) Land Owned

subject to no other registered encumbrances except those in favour of CIBC.

Real Property to be registered against HL-14431-08-3 & HL-14431-07-1

The Guarantee of Pembina Valley Pigs Ltd. shall be supported by an All Obligations Collateral Real Property Mortgage for the amount of \$5 million to be prepared by Taylor McCaffrey and subject to MASC's approval being

A second charge on the land briefly described as

- NE 11-01-11 W(37400) (158 acres) Land Owned
- Pt. SE 08-02-01 E(96700) (70 acres) Land Owned
- Pt. SW 16-01-07 W(6950) (38.78 acres) Land Owned
- SW 28-01-07 W(11900) (153.2 acres) Land Owned
- Pt. NW 23-03-01 W(321800) (79.5 acres) Land Owned
- Pt. SE 22-03-01 W(321200) (80 acres) Land Owned
- Pt. SW 13-02-04 W(107100) (41.82 acres) Land Owned
- SS 1 Block 42020 (95100) (5.45 acres) Land Owned
- SE 24-03-16 W(120300) (160 acres) Land Owned
- SE 25-03-16 W(120700) (160 acres) Land Owned

subject to no other registered encumbrances except those in favour of FCC.

Security Agreement to be registered against HL-14431-08-3

A Security Agreement on the collateral described as follows:

- Inventory: All inventory now owned or hereafter acquired including all livestock and the young thereof and all crops;
- Equipment: All equipment (other than consumer goods; which means goods that are used primarily for personal, family or household purposes) now owned or hereafter acquired, including without limitation, all machinery, tools apparatus, plant, furniture, fixtures and vehicles;
- Receivables: All debts, accounts, claims and monies now or hereafter due or owing to or owned by the debtor(s);
- Intangibles: All contractual rights and insurance claims and all goodwill and quota now owned or hereafter acquired by the debtor(s)

subject to no other registered security interests except those in favour of FCC, Bank of Montreal and MASC.

Security Agreement to be registered against HL-14431-08-3 & HL-14431-07-1

The Guarantee of Niverville Swine Breeders Ltd. supported by a Security Agreement on the collateral described as follows:

- Inventory: All inventory now owned or hereafter acquired including all livestock and the young thereof and all crops;
- Equipment: All equipment (other than consumer goods; which means goods that are used primarily for personal, family or household purposes) now owned or hereafter acquired, including without limitation, all machinery, tools apparatus, plant, furniture, fixtures and vehicles;
- Receivables: All debts, accounts, claims and monies now or hereafter due or owing to or owned by the debtor(s);
- Intangibles: All contractual rights and insurance claims and all goodwill and quota now owned or hereafter acquired by the debtor(s)

subject to no other registered security interests except those in favour of CIBC.

Security Agreement to be registered against HL-14431-08-3 & HL-14431-07-1

The Guarantee of Pembina Valley Pigs Ltd. supported by a Security Agreement on the collateral described as follows:

- Inventory: All inventory now owned or hereafter acquired including all livestock and the young thereof and all crops;
- Equipment: All equipment (other than consumer goods; which means goods that are used primarily for personal, family or household purposes) now owned or hereafter acquired, including without limitation, all machinery, tools apparatus, plant, furniture, fixtures and vehicles;
- Receivables: All debts, accounts, claims and monies now or hereafter due or owing to or owned by the debtor(s);
- Intangibles: All contractual rights and insurance claims and all goodwill and quota now owned or hereafter acquired by the debtor(s)

subject to no other registered security interests except those in favour of FCC and Bank of Montreal.

Guarantee to be registered against HL-14431-08-3 & HL-14431-07-1

The Guarantee of Niverville Swine Breeders Ltd. in the amount of \$5 million is to be prepared, completed and returned by your solicitor. This guarantee must be approved by MASC.

Guarantee to be registered against HL-14431-08-3 & HL-14431-07-1

The Guarantee of Pembina Valley Pigs Ltd. in the amount of \$5 million is to be prepared, completed and returned by your solicitor. This guarantee must be approved by MASC.

FIRE INSURANCE

You are required to place fire insurance coverage, subject to the Standard Mortgage Clause, with loss payable firstly to MASC, on the buildings as follows:

Location: Lot 1 Block 2 Plan 34434 (33606)	
• Head Office	\$435,100.00
Location: Lot DES Block 1 Plan 9965 (31250)	
• Truck Wash	\$242,700.00

No disbursement of loan funds will be made until confirmation of coverage is received by MASC. The amounts of the coverage set out above reflect MASC's requirements only. You may wish to contact your insurance agent to ensure that you are carrying coverage adequate to your needs.

PRE-AUTHORIZED PAYMENTS

Disbursement of this loan is conditional upon you providing MASC pre-authorized payments in an amount sufficient to cover loan payments in full as they become due. You will be notified as to the exact amounts prior to the withdrawal of any funds.

OTHER TERMS AND CONDITIONS

This approval is made on the condition that the information contained in your application for a loan(s) is found to be substantially correct, otherwise the approval may be cancelled.

All real property taxes due and payable are to be paid.

MASC to receive an acceptable Inter-Lender Agreement from CIBC as it pertains to MASC's security position of Niverdale Swine Breeders Ltd.'s mortgage backed guarantee. This document is to be prepared, completed and returned by your solicitor.

MASC to receive an acceptable Inter-Lender Agreement from Farm Credit Canada (FCC) as it pertains to MASC's security position of Pembina Valley Pig Ltd.'s mortgage backed guarantee. This acceptable Inter-Lender's Agreement to MASC will also confirm that the total borrowing by The Puratone Corporation and wholly-owned subsidiaries (Pembina Valley Pigs Ltd.), are not to exceed \$40 million to Farm Credit Canada (FCC). This document is to be prepared, completed and returned by your solicitor.

Prior to this loan being disbursed, the Puratone Corporation agrees to amend the interest rate on loan number HL-14431-07-1 to read "(i) 3.15% up to May 1, 2009". This interest rate is effective May 1, 2008 and is applicable for the first year only of HL-14431-07-1 loan. This acceptable amending agreement must be prepared, completed and returned by your solicitor.

MASC requires the Insurance Coverage Acknowledgement form(s) be completed and returned to our office. This document(s) has been sent to your solicitor for processing.

The following conditions are required by MASC until this loan has been paid in full:

- On an annual basis, or as applicable, that copies of the relevant financing agreements, or amendments thereto, from the lenders, at this time Farm Credit Canada, Bank of Montreal and CIBC be provided to MASC.

- MASC be advised in writing of any material breach of financial covenants with the primary lenders, and that MASC's loans will be considered in default, until the breach is remedied to the satisfaction of the primary lender.
- Annual audited financial statements be provided to MASC within 120 days after every fiscal year end.
- Internally prepared financial statements be provided to MASC within 30 days of every quarter end.
- That no shareholder loan repayments or dividend payments are to be undertaken without the prior written approval of MASC.

All of the terms and conditions must be fulfilled to MASC's satisfaction. Any commitment as to the availability of loan funds made by you prior to fulfillment of all conditions is entirely your responsibility.

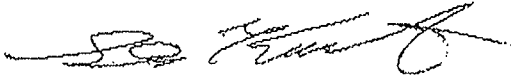
Any funds undischursed after January 18, 2009 will be cancelled and the amount already disbursed will constitute the outstanding principal balance of the loan.

We will be sending instructions to Norman K. Snyder, Taylor McCaffrey LLP, to do the legal work in connection with your loan. You will be responsible for all costs incurred in providing MASC with the required security. If the loan is terminated or cancelled for any reason whatsoever prior to disbursement of loan proceeds, any legal costs incurred to that date shall be entirely your responsibility.

You are required to provide your solicitor with a duplicate copy of this letter signed by you acknowledging your agreement to proceed with the loan subject to the within terms and conditions. (Solicitor to provide MASC with the signed copy.)

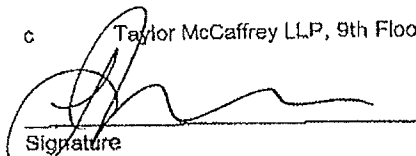
If you have any questions regarding this loan or any of your other financial requirements, please feel free to contact Darren Bond at (204) 346-6092.

Yours truly,



MANITOBA AGRICULTURAL SERVICES CORPORATION

c Taylor McCaffrey LLP, 9th Floor 400 St. Mary Ave Winnipeg, MB R3C 4K5



Signature

SEPT. 8/08
Date

CFO

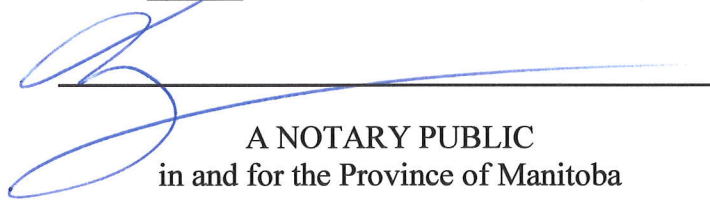
Position (The Puratone Corporation)

Signature

Date

Position (The Puratone Corporation)

**THIS IS EXHIBIT "17" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 17 DAY OF SEPTEMBER, 2012**



A NOTARY PUBLIC
in and for the Province of Manitoba

GUARANTEE

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, NIVERVILLE SWINE BREEDERS LTD. ("Guarantor") hereby agrees and covenants with MANITOBA AGRICULTURAL SERVICES CORPORATION ("MASC") as follows:

1. The Guarantor hereby unconditionally guarantees payment to MASC and its successors and assigns, forthwith upon demand, of all present and future debts and liabilities, direct or indirect, now or at any time and from time to time hereafter due or owing to MASC by THE PURATONE CORPORATION (the "Debtor") up to a maximum amount of FIVE MILLION (\$5,000,000.00) CANADIAN DOLLARS, plus interests and costs thereon, as may be from time to time outstanding and owing by the Debtor to MASC pursuant to Loan No. HL-14431-08-3 and Loan No. HL-14431-07-1, and whether incurred by the Debtor alone or jointly with any other corporation, person or persons, or otherwise howsoever (collectively the "Obligations").

2. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by MASC in connection with the Debtor, the Obligations or any security held by or granted to MASC to secure payment or performance of any of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between MASC and the Debtor relating to the advance of monies to the Debtor or any other agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, or any other amendment or waiver of or any consent to or departure from, any agreement between MASC and the Debtor relating to the advance of monies to the Debtor;
- (c) any change in the name, objects, share capitalization, constating documents or by-laws, ownership or control of the Debtor;
- (d) any amalgamation, merger, consolidation or other reorganization of the Debtor or of its business or affairs;
- (e) the dissolution, winding up, liquidation or other distribution of the assets of the Debtor, whether voluntary or otherwise;
- (f) the Debtor becoming insolvent or bankrupt or subject to the provisions of the Bankruptcy and Insolvency Act (Canada) or any successor legislation;
- (g) MASC enforcing or realizing upon any security granted to or held by MASC on or over the property of the Debtor, whether to secure payment or performance of the Obligations or otherwise;

- (h) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against MASC or any other person, which rights the Guarantor hereby waives to the fullest extent permitted by law;
- (i) any dealings described in section 4 hereof; or
- (j) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Debtor in respect of the Obligations or of the Guarantor in respect of its guarantee hereunder.

3. All monies, advances or renewals in fact borrowed or obtained from MASC by the Debtor or by persons purporting to act on behalf of the Debtor shall be deemed to form part of the Obligations hereby guaranteed, regardless of whether such borrowing or obtaining of monies, advances, renewals, or credits or the execution and delivery of any agreement or document by or on behalf of the Debtor is in excess of the powers of the Debtor or any of its directors, officers, managers, employees or other agents, is in any way irregular, defective or informal, or if the Debtor is not a legal entity. MASC has no obligation to enquire into the powers of the Debtor or any of its directors, officers, managers or employees or other agents acting or purporting to act on its behalf.

4. Without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's obligations and liabilities hereunder and without the consent of or notice to the Guarantor, MASC may:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Debtor;
- (b) take or refrain from taking securities or collateral from the Debtor or from perfecting securities or collateral of the Debtor;
- (c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Debtor or any third party with respect to the Obligations;
- (d) accept compromises or arrangements from the Debtor;
- (e) exercise any right or remedy which it may have against the Debtor or with respect to any security for the Obligations, including judicial and nonjudicial foreclosure;
- (f) apply all monies at any time received from the Debtor or from securities upon such part of the Obligations as MASC may see fit or change any such application in whole or in part from time to time as MASC may see fit; or
- (g) otherwise deal with, or waive or modify its right to deal with, the Debtor and all other persons and securities as MASC may see fit.

5. MASC shall not be bound to exhaust its recourse against the Debtor or others or under any security or take any other action or legal proceeding before being entitled to payment from the Guarantor under this guarantee.

6. The loss of or failure to obtain, perfect or maintain any security held by MASC, whether occasioned through the fault of it or otherwise, shall not discharge, limit or lessen the liability of the Guarantor hereunder.

7. Any account stated by MASC to be due to it by the Debtor shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

8. No delay on the part of MASC in exercising any of its options, powers or rights, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by MASC unless the same shall be in writing, duly signed by MASC and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of MASC or the liabilities of the Guarantor hereunder in any other respect at any other time.

9. MASC may from time to time and without notice to, or the consent of, the Guarantor assign or transfer all or any of the Obligations due to it or any interest therein to any person; and notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such Obligations or part thereof so transferred or assigned shall be and shall remain part of the "Obligations" for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligations or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were MASC.

10. If at any time all or any part of any payment previously applied by MASC to any Obligations is or must be rescinded or returned by MASC for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor or the Guarantor), to the extent that such payment is or must be rescinded or returned such Obligations shall be deemed to have continued in existence notwithstanding such application by MASC, and this guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by MASC had not been made.

11. All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned to MASC and subordinated and postponed to the obligations of the Guarantor hereunder, and all moneys received by the Guarantor in respect thereof shall be received in trust for and shall be paid over to MASC forthwith upon request by MASC. If MASC receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor shall not be entitled to claim repayment against the Debtor unless and until MASC's claims against the Debtor have been paid in full. In the case of any liquidation, winding-up or bankruptcy of the Debtor (whether voluntary or involuntary) or in the event that the Debtor makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, MASC shall have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until its claims have been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to MASC by the Debtor. In the event of the valuation by MASC of any of its security or the retention thereof, such

valuation or retention shall not be considered as a purchase of such security, or as payment or satisfaction or reduction of the obligations of the Guarantor hereunder or any part thereof. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this guarantee.

12. The Guarantor shall from time to time forthwith upon demand pay to MASC all expenses (including legal fees on a solicitor and his own client basis) incurred by it in the preservation or enforcement of any of its rights hereunder.

13. Any amount which is not enforceable hereunder on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to MASC after demand therefor as herein provided. Accordingly, the Guarantor shall not be discharged nor shall its liability be affected by any act, thing, omission or means whatsoever which would have discharged it or affected its liability if it had not been liable as principal debtor. In addition, and as a separate and distinct obligation, the Guarantor hereby agrees to indemnify and save harmless MASC in respect of any loss or damage which MASC may suffer if for any reason this agreement is not enforceable as a guarantee.

14. This guarantee is in addition to and without prejudice to any security of any kind (including without limitation other guarantees) now or hereafter held by MASC and any other rights or remedies that MASC might have.

15. The obligations of the Guarantor under this guarantee shall be complete and binding upon the execution of this guarantee by it and shall not be subject to any condition precedent. The Guarantor hereby expressly renounces any benefits of division or discussion.

16. This guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein. Without prejudice to the right of MASC to commence any proceedings with respect to this guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorns and submits to the jurisdiction of the courts of the Province of Manitoba.

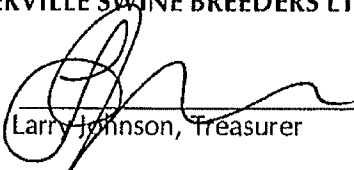
17. Without prejudice to any other method of giving notice, any notice, direction or other communication required or permitted to be given under this guarantee shall be deemed to have been received by the Guarantor on the date following the sending thereof by MASC by prepaid private courier to the Guarantor at Box 460, Niverville, Manitoba, R0A 1E0. Such address for service may be changed by notice given by the Guarantor in the foregoing manner.

18. This guarantee shall extend and enure to the benefit of the MASC and its successors and assigns and shall be binding upon the Guarantor and the successors and assigns of the Guarantor. "Successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation.

IN WITNESS WHEREOF this guarantee has been signed, sealed and delivered by an authorized signing authority of the Guarantor, effective this 8th day of September, 2008.

NIVERVILLE SWINE BREEDERS LTD.

By:


Larry Johnson, Treasurer

**THIS IS EXHIBIT "18" 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

GUARANTEE

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PEMBINA VALLEY PIGS LTD. ("Guarantor") hereby agrees and covenants with MANITOBA AGRICULTURAL SERVICES CORPORATION ("MASC") as follows:

1. The Guarantor hereby unconditionally guarantees payment to MASC and its successors and assigns, forthwith upon demand, of all present and future debts and liabilities, direct or indirect, now or at any time and from time to time hereafter due or owing to MASC by THE PURATONE CORPORATION (the "Debtor") up to a maximum amount of FIVE MILLION (\$5,000,000.00) CANADIAN DOLLARS, plus interests and costs thereon, as may be from time to time outstanding and owing by the Debtor to MASC pursuant to Loan No. HL-14431-08-3 and Loan No. HL-14431-07-1, and whether incurred by the Debtor alone or jointly with any other corporation, person or persons, or otherwise howsoever (collectively the "Obligations").
2. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by MASC in connection with the Debtor, the Obligations or any security held by or granted to MASC to secure payment or performance of any of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:
 - (a) any lack of validity or enforceability of any agreement between MASC and the Debtor relating to the advance of monies to the Debtor or any other agreement or instrument relating thereto;
 - (b) any change in the time, manner or place of payment of, or in any other term of, or any other amendment or waiver of or any consent to or departure from, any agreement between MASC and the Debtor relating to the advance of monies to the Debtor;
 - (c) any change in the name, objects, share capitalization, constating documents or by-laws, ownership or control of the Debtor;
 - (d) any amalgamation, merger, consolidation or other reorganization of the Debtor or of its business or affairs;
 - (e) the dissolution, winding up, liquidation or other distribution of the assets of the Debtor, whether voluntary or otherwise;
 - (f) the Debtor becoming insolvent or bankrupt or subject to the provisions of the Bankruptcy and Insolvency Act (Canada) or any successor legislation;
 - (g) MASC enforcing or realizing upon any security granted to or held by MASC on or over the property of the Debtor, whether to secure payment or performance of the Obligations or otherwise;

- (h) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against MASC or any other person, which rights the Guarantor hereby waives to the fullest extent permitted by law;
- (i) any dealings described in section 4 hereof; or
- (j) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Debtor in respect of the Obligations or of the Guarantor in respect of its guarantee hereunder.

3. All monies, advances or renewals in fact borrowed or obtained from MASC by the Debtor or by persons purporting to act on behalf of the Debtor shall be deemed to form part of the Obligations hereby guaranteed, regardless of whether such borrowing or obtaining of monies, advances, renewals, or credits or the execution and delivery of any agreement or document by or on behalf of the Debtor is in excess of the powers of the Debtor or any of its directors, officers, managers, employees or other agents, is in any way irregular, defective or informal, or if the Debtor is not a legal entity. MASC has no obligation to enquire into the powers of the Debtor or any of its directors, officers, managers or employees or other agents acting or purporting to act on its behalf.

4. Without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's obligations and liabilities hereunder and without the consent of or notice to the Guarantor, MASC may:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Debtor;
- (b) take or refrain from taking securities or collateral from the Debtor or from perfecting securities or collateral of the Debtor;
- (c) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Debtor or any third party with respect to the Obligations;
- (d) accept compromises or arrangements from the Debtor;
- (e) exercise any right or remedy which it may have against the Debtor or with respect to any security for the Obligations, including judicial and nonjudicial foreclosure;
- (f) apply all monies at any time received from the Debtor or from securities upon such part of the Obligations as MASC may see fit or change any such application in whole or in part from time to time as MASC may see fit; or
- (g) otherwise deal with, or waive or modify its right to deal with, the Debtor and all other persons and securities as MASC may see fit.

5. MASC shall not be bound to exhaust its recourse against the Debtor or others or under any security or take any other action or legal proceeding before being entitled to payment from the Guarantor under this guarantee.

6. The loss of or failure to obtain, perfect or maintain any security held by MASC, whether occasioned through the fault of it or otherwise, shall not discharge, limit or lessen the liability of the Guarantor hereunder.

7. Any account stated by MASC to be due to it by the Debtor shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

8. No delay on the part of MASC in exercising any of its options, powers or rights, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by MASC unless the same shall be in writing, duly signed by MASC and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of MASC or the liabilities of the Guarantor hereunder in any other respect at any other time.

9. MASC may from time to time and without notice to, or the consent of, the Guarantor assign or transfer all or any of the Obligations due to it or any interest therein to any person; and notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such Obligations or part thereof so transferred or assigned shall be and shall remain part of the "Obligations" for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligations or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were MASC.

10. If at any time all or any part of any payment previously applied by MASC to any Obligations is or must be rescinded or returned by MASC for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor or the Guarantor), to the extent that such payment is or must be rescinded or returned such Obligations shall be deemed to have continued in existence notwithstanding such application by MASC, and this guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by MASC had not been made.

11. All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned to MASC and subordinated and postponed to the obligations of the Guarantor hereunder, and all moneys received by the Guarantor in respect thereof shall be received in trust for and shall be paid over to MASC forthwith upon request by MASC. If MASC receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor shall not be entitled to claim repayment against the Debtor unless and until MASC's claims against the Debtor have been paid in full. In the case of any liquidation, winding-up or bankruptcy of the Debtor (whether voluntary or involuntary) or in the event that the Debtor makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, MASC shall have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until its claims have been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to MASC by the Debtor. In the event of the valuation by MASC of any of its security or the retention thereof, such

valuation or retention shall not be considered as a purchase of such security, or as payment or satisfaction or reduction of the obligations of the Guarantor hereunder or any part thereof. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this guarantee.

12. The Guarantor shall from time to time forthwith upon demand pay to MASC all expenses (including legal fees on a solicitor and his own client basis) incurred by it in the preservation or enforcement of any of its rights hereunder.

13. Any amount which is not enforceable hereunder on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to MASC after demand therefor as herein provided. Accordingly, the Guarantor shall not be discharged nor shall its liability be affected by any act, thing, omission or means whatsoever which would have discharged it or affected its liability if it had not been liable as principal debtor. In addition, and as a separate and distinct obligation, the Guarantor hereby agrees to indemnify and save harmless MASC in respect of any loss or damage which MASC may suffer if for any reason this agreement is not enforceable as a guarantee.

14. This guarantee is in addition to and without prejudice to any security of any kind (including without limitation other guarantees) now or hereafter held by MASC and any other rights or remedies that MASC might have.

15. The obligations of the Guarantor under this guarantee shall be complete and binding upon the execution of this guarantee by it and shall not be subject to any condition precedent. The Guarantor hereby expressly renounces any benefits of division or discussion.

16. This guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein. Without prejudice to the right of MASC to commence any proceedings with respect to this guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorns and submits to the jurisdiction of the courts of the Province of Manitoba.

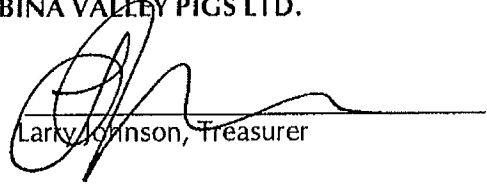
17. Without prejudice to any other method of giving notice, any notice, direction or other communication required or permitted to be given under this guarantee shall be deemed to have been received by the Guarantor on the date following the sending thereof by MASC by prepaid private courier to the Guarantor at Box 460, Niverville, Manitoba, R0A 1E0. Such address for service may be changed by notice given by the Guarantor in the foregoing manner.

18. This guarantee shall extend and enure to the benefit of the MASC and its successors and assigns and shall be binding upon the Guarantor and the successors and assigns of the Guarantor. "Successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation.

IN WITNESS WHEREOF this guarantee has been signed, sealed and delivered by an authorized signing authority of the Guarantor, effective this 8th day of September, 2008.

PEMBINA VALLEY PIGS LTD.

By:


Larry Johnson, Treasurer