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COURT OF by Kelly Wilson
QUEEN'S BENCH Date:
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No. CI 12-01-79231

THE QUEEN'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*, R.S.C.
1985, c. C-36, as Amended

AND IN THE MATTER OF: A Proposed Plan of Compromise or Arrangement of
The Puratone Corporation, Pembina Valley Pigs Ltd.
and Niverville Swine Breeders Ltd. (the
"Applicants")

Application under the: *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as
Amended

SECOND INTERIM DISTRIBUTION ORDER

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Matter No. 0112623 DGD

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

THE HONOURABLE

The 30th day of October, 2013

MR. JUSTICE DEWAR

IN THE MATTER OF THE:

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF:

A Proposed Plan of Compromise or Arrangement of The Puratone Corporation, Pembina Valley Pigs Ltd. and Niverville Swine Breeders Ltd. (the "Applicants")

Application under the: *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

SECOND INTERIM DISTRIBUTION ORDER

THIS MOTION, made by the Monitor for an order approving the second interim distribution of a portion of the monies held by the Monitor in accordance with the proposed interim distribution as set out in Exhibit "B" to the Ninth Report of the Monitor dated October 22, 2013 (the "**Ninth Report**"), for the discharge and release of the DIP Lender's Charge, the Critical Suppliers' Charge, the Directors' Charge and the KERP Charge (all as defined the Initial Order in this proceeding pronounced on September 12, 2012) and for approval of the Seventh Report of the Monitor dated March 8, 2013 (the "**Seventh Report**") and the Eighth Report of the Monitor dated April 4, 2013 (the "**Eighth Report**"), and the Monitor's activities as described therein, was heard this day at the Winnipeg Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Seventh Report, the Eighth Report and the Ninth Report, the Affidavits of Raymond Alan Hildebrand sworn September 11 and November

1, 2012, and on hearing the submissions of counsel for the Applicants, the Monitor, the Bank of Montreal, and Farm Credit Canada, no other stakeholders appearing for any other person on the Service List and the Supplementary Service List, although served as appears from the Affidavit of Ross McFadyen sworn October 24, 2013,

SERVICE VALIDATED

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the supporting materials is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

INTERIM DISTRIBUTION

2. THIS COURT ORDERS AND DIRECTS that the Bank of Montreal, Farm Credit Canada and Manitoba Agricultural Services Corporation shall forthwith file affidavits with the Court setting out the precise amount of remaining indebtedness respectively owed to each of them by the Applicants.

3. THIS COURT ORDERS that subject to the terms of paragraph 4 below, upon the filing of the affidavits as required by paragraph 2 above, the Monitor is hereby authorized and directed to make an interim distribution from the monies held by it in trust in accordance with the proposed interim distribution as set out in Exhibit "B" to the Ninth Report. In particular, the Monitor is authorized and directed to make the following payments:

- (a) the sum of \$2,181,548.00 to the Bank of Montreal;

- (b) the sum of \$3,201,946.00 to Farm Credit Canada; and
- (c) the sum of \$110,818.00 to Manitoba Agricultural Services Corporation.

4. THIS COURT ORDERS that the Monitor shall only make the distributions contemplated by paragraph 3 above in the event that the affidavits to be filed by the Bank of Montreal, Farm Credit Canada and Manitoba Agricultural Services Corporation confirm that the indebtedness owing to each of them by the Applicants is in excess of the amounts of the proposed interim distributions as set out in sub-paragraphs 3(a), (b) and (c), respectively.

5. THIS COURT ORDERS that the Monitor is further authorized and directed, upon receipt of the sale proceeds relating to the Birch Bay Pork real property (as more particularly identified in the materials filed in this proceeding) to pay over the said proceeds to Farm Credit Canada, on the condition that the indebtedness owing to Farm Credit Canada by the Applicants remains in excess of the said sale proceeds, based on the information contained in the affidavit to be filed by Farm Credit Canada in accordance with paragraph 4 above.

DISCHARGE OF PRIORITY CHARGES

6. THIS COURT ORDERS that DIP Lender's Charge, the Critical Suppliers' Charge, the Directors' Charge and the KERP Charge are hereby released and discharged and no longer form any kind of charge over the property of the Applicants.

APPROVAL OF MONITOR'S ACTIVITIES AND REPORT

7. THIS COURT ORDERS that the Seventh Report and the Eighth Report of the Monitor, and the activities described therein, are hereby approved.

**R.A.
Dewar J.**

Digitally signed by R.A.
Dewar J.
DN: c=ca, o=ldrc, cn=R.A.
Dewar J.
Date: 2013.10.30 10:22:13
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October 30 , 2013