

**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

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**NOTICE OF MOTION**  
**(Transfer Interests in Partially Owned Subsidiaries)**  
**DATE OF HEARING:**  
**FRIDAY, THE 16<sup>th</sup> DAY OF NOVEMBER, 2012 AT 2:00 P.M.**  
**BEFORE: THE HONOURABLE MR. JUSTICE DEWAR**

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Client File No. 15611-250 DJAC

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

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

**NOTICE OF MOTION  
(Transfer Interests in Partially Owned Subsidiaries)**

The Applicants will make a motion before the Honourable Mr. Justice Dewar on Friday, November 16, 2012 at 2:00 o'clock in the afternoon or as soon after that time as the motion can be heard, at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

**THE MOTION IS FOR:**

1.            An Order validating or otherwise abridging the time for service of this Notice of Motion such that the motion is properly returnable November 16, 2012 and dispenses with further service thereof.
  
2.            An Order that the Applicants may transfer their shares and limited partnership units in the following entities:

Bond Hog Ventures Ltd.  
Horizon Livestock Poultry Supply Ltd.  
JVCO Transport Ltd.  
Heritage Hogs Limited

Pura Organics Limited Partnership  
Paradigm Farms Ltd.  
Parks Livestock of Canada, Limited Partnership

(hereinafter referred to as the "Partially Owned Subsidiaries")

without triggering rights of first refusal, rights of first offer, shotgun rights or similar rights of other shareholders or unit holders or other restrictions on transfer ("Shareholder Rights"), as part of the Purchased Assets to be transferred to the Purchaser pursuant to the Transaction approved by this Honourable Court by way of the Approval and Vesting Order pronounced November 8, 2012 ("Transaction").

3. An Order that the Applicants may assign their interest in the Assumed Contracts as listed in Schedule "A" hereto between the Applicants, the Partially Owned Subsidiaries and/or their shareholders/unit holders as part of the Purchased Assets to be transferred to the Purchaser pursuant to the Transaction and, upon such transfer, the Purchaser shall assume the Applicants' obligations under the Assumed Contracts.

4. Such further and other relief as to this Honourable Court may seem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. Sections 11, 11.3 and 36 and other provisions of the *Companies Creditors Arrangements Act* R.S.C. 1985 c.C-36 amended ("CCAA").

2. Queen's Bench Rules 2.03, 3.02, 16.04, 16.08 and 37.08(2).

3. Section 37 of *The Court of Queen's Bench Act (Manitoba)*.

4. This is an urgent matter.

5. Pursuant to the Approval and Vesting Order granted on November 8, 2012 this Honourable Court approved the Transaction contemplated by the November 1, 2012 Asset Purchase Agreement (the "Sale Agreement") between the Applicants and Maple Leaf Foods Inc. or its permitted assignee (the "Purchaser") under the Sale Agreement as agreed to by Deloitte & Touche Inc. in its capacity as Monitor of the Applicants.

6. Pursuant to Paragraph 8.1(g) of the Sale Agreement, the applicable provisions of the applicable shareholder/unit holder agreements of the Partially Owned Subsidiaries were to have been waived or amended on or before November 16, 2012 so as to permit the transfer of the Applicants' shares/units in the Partially Owned Subsidiaries as part of the Transaction free and clear of all Encumbrances, (except Permitted Encumbrances as defined in the Sale Agreement), and without triggering any rights of first refusal, rights of first offer, shotgun rights or similar rights of the other shareholders or unit holders or other restrictions on transfer (the "Shareholder Rights") in connection with such transfer, failing which the Applicants are obliged to apply for an Order of the Court to authorize the transfer free and clear of the Shareholder Rights to the Purchaser as part of the Transaction.

7. Pursuant to the Sale Agreement, the Purchaser provided the Applicants with an updated list of agreements which included unanimous shareholder and similar shareholder and unit holder agreements as well as other agreements with the Partially Owned Subsidiaries to be included as "Assumed Contracts" where, to the extent that the applicable counter-parties had not consented to the assignment by November 16, 2012 the Applicants are obliged to apply for an Order of the Court ordering and authorizing

assignment of the Assumed Contracts to the Purchaser as part of the Transfer notwithstanding the absence of the consent of the applicable counter-parties.

8. The Applicants are attempting to obtain the consents of the applicable shareholders/unit holders to the transfer of the shares/units of the Partially Owned Subsidiaries without triggering any Shareholder Rights but, to the extent such consents are not forthcoming, require an Order of the Court to complete the transfers required to complete the Transaction.

9. The Applicants are attempting to obtain the consents where necessary of all counter-parties of the Assumed Contracts to be assigned and to the extent that those consents are not forthcoming, require an Order of the Court to complete the assignments required to complete the Transaction.

10. There are no known monetary defaults in relation to the agreements which the Applicants seek to be assigned pursuant to this motion to the Purchaser as part of the Transaction. The only defaults are those arising by reason of the Applicants insolvency, the commencement of the CCAA proceedings and the Applicants' failure to perform non-monetary obligations.

11. The Monitor has approved the above Transaction including the share/unit transfers and the assignments of Assumed Contracts.

12. The Purchaser is a person to whom the rights and obligations to be assigned would be able to perform those obligations and is otherwise a fit and proper person to assume those obligations.

13. It is appropriate in the circumstances to transfer the shares/units in question and to assign the rights and obligations under the Assumed Contracts to the Purchaser, as aforesaid.

14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

1. The pleadings and proceedings herein including the Initial Order, Affidavit of Raymond Alan Hildebrand sworn September 11, 2012, as well as the Pre-Filing and subsequent Reports of the Monitor.

2. The Affidavit of Raymond Alan Hildebrand sworn November 1st, 2012.

3. The Supplementary Affidavit of Raymond Alan Hildebrand sworn November 6, 2012.

4. The Third Report of the Monitor dated November 5, 2012.

5. The Affidavit of Larry Johnson to be filed.

6. The Fourth Report of the Monitor, to be filed.

7. Such further and other materials as counsel may advise and this Court may permit.

November 14, 2012

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(Solicitors for the Applicants)

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TO: THE ATTACHED SERVICE LIST

AND TO: BE POSTED ON THE DELOITTE WEBSITE IN  
ACCORDANCE WITH THE APPROVAL AND VESTING  
ORDER DATED NOVEMBER 8, 2012

## SCHEDULE A

### ASSUMED CONTRACTS RELATING TO THE PARTIALLY OWNED SUBSIDIARIES

#### Share/Unit Holder Agreements

1. Unanimous Shareholders Agreement between the shareholders of Bond Hog dated May 15, 1997.
2. Unanimous Shareholders Agreement between the shareholders of Heritage Hog dated October 5, 1999.
3. Unanimous Shareholders Agreement between the shareholders of Paradigm dated June 6, 1997, as amended on August 17, 2009.
4. Unanimous Shareholders Agreement between the shareholders of JVCO dated July 1, 2008.
5. Pura Organics Limited Partnership Agreement dated September 18, 1998.
6. Term Sheet for the Purpose of Describing the Plan of Merger and Reorganization of The Product Sales Segment of Sheridan, Heuser, Provis Inc. with The Agri--Mart Division of Puratone (now "Horizon Livestock Poultry Supply Ltd.") dated December 12, 2005.
7. Parks Livestock of Canada Limited Partnership Limited Partnership Agreement dated May 2004.

#### Other Agreements with Partially Owned Subsidiaries to be Assumed

8. Weanling Purchase and Hog Marketing Contract dated December 31, 2004 between Puratone and Bond Hog.
9. Weanling Purchase and Hog Marketing Contract dated August 30, 2004 between Puratone and Heritage Hog.
10. Hog Marketing Contract and Risk Management Agreement dated January 12, 2010 between Puratone and Paradigm.
11. CND Cull Sow Purchase and Sales Agreement dated December 1, 2011 between Parks Livestock of Canada, LP and Puratone.
12. Administration Agreement dated August 15, 2010 between Puratone and Bond Hog.
13. Administration Agreement dated March 12, 2010 between Puratone and Heritage Hog.



14. Subordinated Debenture dated June 22, 2012 issued by Paradigm to Puratone in the principal amount of \$147,500.00.