

CANADA  
PROVINCE OF SASKATCHEWAN

IN THE QUEEN'S BENCH  
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE  
CREDITORS OF STOMP PORK FARM LTD.

**AMENDED NOTICE OF MOTION**  
**(Fourth Extension Order and Order Approving Sale)**

TAKE NOTICE that an application will be made to the Honourable Madame Justice A.R. Rothery in Chambers at the Court House, 291 23<sup>rd</sup> Street West, Battleford, Saskatchewan, on Wednesday, the 28<sup>th</sup> day of May, 2008, at 9:00 a.m. or so soon thereafter as counsel may be heard on behalf of Stomp Pork Farm Ltd., (hereinafter the "Applicant" or "Stomp" or so soon thereafter as counsel may be heard on behalf of Stomp Pork Farm Ltd., (hereinafter the "Applicant" or "Stomp")), for an Order granting certain relief, pursuant to the provisions of sections 9, 10 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA"), Rules 441(3) and 441A of *The Rules of Court*, the Ex Parte Initial Order and the Amended Ex Parte Initial Order of the Honourable Madame Justice A.R. Rothery made March 27, 2008 (the "Initial Order"), as amended, and more particularly, paragraph 65 of the Initial Order, the Order to Amend Initial Order (Payment of US Creditors and Correction of Stay Period) made April 3, 2008 (the "US Creditors Order"), the Order to Amend Initial Order (Service of Initial Order on Creditors in the United States) made April 4, 2008 (the "US Service Order"), the Order made April 7, 2008 providing for a report from the Monitor respecting the allocation of DIP Financing (the "DIP Financing Allocation Report Order), the Order (Application for Extension Order and Leave to Secured Creditors to Serve Notices made April 22, 2008 (the "First Extension

Order”), the Order made April 23, 2008 providing for the allocation of charges respecting the Interim DIP Facility and future DIP financing (the “DIP Allocation Order), the Order (Application for Second Extension Order and Increase in Administration Charge (the “Second Extension Order”) Order (Application for Third Extension Order and Increase in Administration Charge) (the “Third Extension Order”), section 109 of *The Land Titles Act, 2000*, S.S. 2000 c. L-5.1, Regulation 6.5 of *The Land Titles Conversion Facilitation Regulations*. c. L-5.1, Reg 2, and Section 12 of *The Queen’s Bench Act, 1998*, SS. 1998 c. Q-1.01 and pursuant to the inherent jurisdiction of the Court:

1. An Order providing that all parties entitled to notice of this application have been given proper notice of this application and have been properly served with notice of this application.
2. An Order providing that the Ex Parte Initial Order, as amended, and the stay of proceedings against the Applicant by its creditors contained in the Initial Order shall be extended to expire at 11:59 p.m. on Monday June 30, 2008.
3. An Order approving, ratifying and confirming all terms and conditions of a Restructuring Agreement and certain related agreements entered into between Stomp Pork Farm Ltd. (Stomp), National Bank of Canada (“NBC”), Farm Credit Canada (“FCC”) Stomp Pork Farm 2008 Inc. (“2008”), Titan Ventures Inc. (“Titan”), Stomp Pork Farm (USA) Inc. (“USA”) and Ivan Stomp, which terms and conditions include but are not limited to the following:
  - (a) The sale by Stomp to 2008 of certain assets thereof:
    - (i) Such assets being identified in an Agreement of Purchase and Sale between Stomp 2008 the “2008 PSA”), on terms and conditions more particularly described within the 2008 PSA;
    - (ii) The sale of such assets to take place for a consideration significantly in

excess of the realizable value thereof; and

(iii) The sale of the fixed assets to be primarily financed by new credit facilities to be provided by NBC and FCC.

(b) The sale by Stomp to Titan of certain assets thereof:

(i) Such assets being identified in an Agreement of Purchase and Sale between Stomp and Titan (the “Titan PSA”), on those terms and conditions more particularly described within the Titan PSA;

(ii) The sale of such assets to take place for a consideration significantly in excess of the realizable value thereof; and

(iii) The sale of the fixed assets to be primarily financed by new credit facilities to be provided by NBC and FCC.

(c) The sale by Stomp to USA of certain assets thereof:

(i) Such assets being identified in an Agreement of Purchase and Sale between Stomp and USA (the “USA PSA”), on those terms and conditions more particularly described within the USA PSA;

(ii) The sale of such assets to take place for a consideration significantly in excess of the realizable value thereof; and

(iii) The sale of the fixed assets to be primarily financed by new credit facilities to be provided by NBC.

(d) The reduction of the indebtedness of Stomp to its creditors by virtue of the consideration received pursuant to the PSAs.

(e) The provision of new operating credit facilities by NBC to 2008, to Titan and

to USA;

- (f) The provision of new credit facilities by NBC and FCC to cover operating losses as may occur within Stomp, 2008, Titan and USA;
- (g) The ongoing operation of Stomp, 2008, Titan and USA in accordance with the terms and conditions of the Restructuring Agreement, including, without limiting the foregoing, provisions governing the pricing of sales from 2008 and Titan to USA;
- (h) The orderly liquidation of certain surplus assets of Stomp, with the proceeds to be applied against associated costs and other costs incurred by Stomp with respect to its ongoing operations and these CCAA proceedings, and with other residual liquid assets, proceeds of government programs, and sale proceeds to be applied against the existing secured indebtedness of Stomp;
- (i) A wind-down of active operations of Stomp:
  - (i) With Stomp to retain certain fixed assets for an extended period, with a view to marketing those assets as the hog industry recovers and at a time when better value may be obtained for those assets;
  - (ii) With Stomp to retain its entitlements to certain government programs, including but not being limited to payments under the CAIS and/or the AgriStability Program.

4. [Deleted]

5. [Deleted]

6. An Order affirming and ratifying the decision of Stomp to enter the Restructuring and related agreements, and authorizing Stomp to perform its obligations and

covenants under the Restructuring Agreement, including, but not being limited to:

- (a) An Order directing Stomp to complete the sale of the assets to SPF 2008, Titan, and to SPF USA (the “Purchasers”) in substantial accordance with the terms of the 2008 PSA, the Titan PSA and the USA PSA (collectively the “PSAs”).
- (b) An Order providing direction of the Court to Stomp to execute such documents (including, without limitation, discharging registrations at the Personal Property Registry for the Province of Saskatchewan or elsewhere) as may be reasonably required in order to close the proposed sale of the assets in accordance with the terms of the PSAs.

7. [Merged into 6]

8. An Order providing that, upon satisfaction of the conditions of closing as contemplated by the PSAs, save and except for:

- (a) Those conditions requiring issuance of title in the name of the Purchasers to the assets; and
- (b) Those conditions which are the subject of customer and reasonable trust conditions and undertakings related thereto;

the (“Conditions of Closing”), the solicitors for Stomp, Robertson Stromberg Pedersen LLP, shall file with the Office of the Local Registrar, at the Judicial Centre of Saskatoon, one or more letters confirming that the Conditions of Closing have been satisfied (“Confirmation Letters”).

9. An Order providing that upon closing of the proposed sales described above (the “Sales”), title to the assets shall vest in the name of the applicable Purchasers free and clear of all encumbrances, save and except for those encumbrances identified in

the Vesting Orders, and any encumbrances by or against or in respect of the applicable Purchasers.

10. An Order authorizing the issuance of the Vesting Orders in the form of the draft Vesting Orders filed in support of this application, which Vesting Orders shall issue upon the closing of the Sales and the filing with the Local Registrar, Judicial Centre of Saskatoon, the applicable Confirmation Letter(s) by Robertson Stromberg Pedersen LLP, solicitors for Stomp. The Vesting Orders shall direct the Registrar of Titles of the Saskatchewan Land Titles Registry to cancel existing titles to the real property described in each Vesting Order and to issue new titles to such real property in the name of the applicable Purchaser, free and clear of all encumbrances, save and except for those encumbrances specified in the Vesting Order, and those encumbrances by or against, or in respect of the applicable Purchaser(s) upon the closing of Sale(s).

10A. An order directing Stomp to submit a proposed Claims Procedure process and a Plan of Arrangement for presentation to the creditors of Stomp, within 30 days, or such further time as may be ordered by this Honourable Court.

11. An Order providing that the professional fees of the Monitor, counsel to the Monitor, counsel to the Applicant and Prowis Inc. may be properly paid by the Applicant upon the closing of the Sales and that the restriction placed on payment of such fees shall be and is lifted, and any no such restriction shall be operative without further order of this Court.
12. Such further and other relief and this Honourable Court may deem just and appropriate.

FURTHER TAKE NOTICE that the grounds to be argued in support of this Application are as follows:

1. The Applicant is a “Debtor Company” to which the CCAA applies and in respect of

the Ex Parte Initial Order and Amended Ex Parte Initial Order have been granted.

2. Since the granting of the Initial Order, the Applicant has continued to carry on business in the ordinary course, except as affected by the Initial Order, and subsequent Orders of this Honourable Court, and has been acting, and is acting, diligently and in good faith in the conduct of its business and in the development of its plan to restructure its business and financial affairs in a manner designed to achieve the best possible results for its stakeholders.
3. In the previous affidavits filed in these proceedings, Ivan Stomp has identified the difficulties facing the Applicant and the hog industry in general. By way of additional affidavit evidence, to be filed in support of this application, Ivan Stomp will address the uncertainties facing the hog industry in the near future, and the effect this will have on the valuation of the assets and undertaking of Stomp Pork Farm Ltd.
4. While longer term forecasts show improvement in the hog industry, any existing operation will have to operate through difficult times in the more immediate future.
5. The operations of Stomp, in their present form, with the present cost structure and with the present debt obligations, cannot continue without incurring sizeable operating losses. In these circumstances, the Senior Lenders have indicated that they will not support the ongoing operation through additional funding and will oppose continued operation of Stomp within these CCAA proceedings.
6. There is no reasonable prospect that a buyer for any substantial portion of Stomp's assets may be found for the foreseeable future.
7. The best option for Stomp and for its stakeholders is an intermediate option.
8. After substantial discussion between Stomp and the existing senior secured lenders to Stomp, being National Bank of Canada (the "Bank"), and Farm Credit Canada

(“FCC”) (collectively “the Senior Lenders”), a business plan has been prepared whereby the Senior Lenders will support, subject to review and a right to terminate the arrangement, the ongoing operation of a significant portion of Stomp’s business and undertaking.

9. By agreement of Stomp and the Senior Lenders, it has been agreed the Senior Lenders will finance the purchase of certain productive assets of Stomp by three new corporations (the Purchasers) created for the purposes of buying those assets and carrying on hog production, will provide operating funding, will fund operating losses and and will support an orderly wind-down of the residual undertaking of Stomp, with surplus fixed assets to be retained pending a recovery of the hog industry.
10. Under this arrangement, the Purchasers propose to purchase the productive assets of Stomp at a value significantly exceeding their current realizable value.
11. These prices are fair and reasonable and in excess of the value that Stomp (or for that matter, the Senior Lenders) could expect to obtain for the assets for the foreseeable future absent the proposed arrangement.
12. The amounts owing to the Senior Lenders far exceed the realizable value of the assets of Stomp, such that the only creditors with any financial interest at stake for the present are the Senior Lenders who are supportive of the asset sale.
13. Although the sale of the assets will not liquidate the amounts owing to the Senior Lenders, it will result in the greatest possible recovery with respect to the assets being sold, and in the circumstances, will not adversely affect the interests of any subordinate secured lender, or any unsecured creditor.
14. The proposed sale is the best prospect of keeping a substantial portion of Stomp’s assets in production with the attendant benefit to the affected employees and local economies.

15. As is often the case where a sale of assets results from an insolvency, the sale must be approved by this Honourable Court, and one or more Vesting Orders obtained, in order that the Purchasers are assured that they receive good title to the assets which they are proposing to purchase.
16. The Applicant intends to file a material in support of a Claims Procedure and a Plan of Arrangement for consideration by the Court within the next following 30 days; and
17. The Applicant requires an extension of the stay of proceedings in order to permit the Applicant to finalize and present the Procedure and Plan for consideration

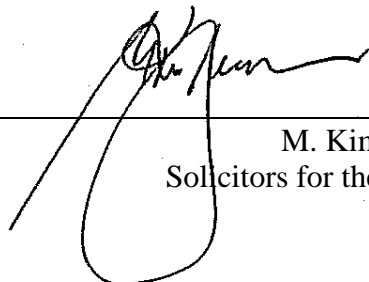
AND FURTHER TAKE NOTICE that in support of this Application shall be read:

- (a) This Notice of Motion with proof of service;
- (b) Affidavit of Ivan Stomp;
- (c) Affidavit of Murray D'Angelo;
- (d) Affidavit of William Wilmot;
- (e) Sixth Affidavit of Ivan Stomp;
- (f) Second Report of the Monitor;
- (g) Sixth Report of the Monitor;
- (h) A form of Draft Order (Approving Sale);
- (i) A form of Draft Order (2008 Vesting Order);
- (j) A form of Draft Order (Titan Vesting Order);

(k) A form of Draft Order (USA Vesting Order);

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 24th day of May, 2008.

**ROBERTSON STROMBERG PEDERSEN LLP**

Per:  \_\_\_\_\_  
M. Kim Anderson  
Solicitors for the Applicant

This document was delivered by:  
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