



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

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THURSDAY, THE 16TH DAY

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MR. JUSTICE NEWBOULD

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OF FEBRUARY, 2012

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

ORDER

(Stay Extension and Westco Pre-Filing Lien Charge)

THIS MOTION, made by NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Land Holdings Corp. (collectively, the "Applicants"), New Food Classics ("NFC"), and NFC Acquisition L.P. ("Acquisition LP") (NFC and Acquisition LP being the "Partnerships", and together with the Applicants, the "NFC Entities") for an Order substantially in the form enclosed in the Motion Record of the NFC Entities was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, filed, the Affidavit of Brian Cram, sworn February 10, 2012 (the "Cram Affidavit"), filed, and the Second Report of FTI Consulting Canada Inc., in its capacity as monitor of the NFC Entities (the "Monitor"), dated February 13, 2012 (the "Second Report"), filed, and upon hearing the submissions of counsel for the NFC Entities, counsel for the Monitor, counsel for the Bank of Montreal and counsel for Westco MultiTemp Distribution Centres Inc. ("Westco"), no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Elizabeth Nigro sworn February 10,

2012, filed, and upon being advised that no other persons were served with the aforementioned materials:

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Initial Order of the Honourable Mr. Justice Morawetz, dated January 17, 2012 (the "Initial Order").

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Motion Record, including the Cram Affidavit and the First Report, be and it is hereby abridged, if necessary, so that the motion is properly returnable today, and that further service thereof be and it is hereby dispensed with, and that service of the aforementioned materials, be and it is hereby validated in all respects.

APPROVAL OF ACTIONS AND ACTIVITIES OF THE MONITOR

3. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor, dated January 16, 2012, filed in its capacity as proposed Monitor, be and it is hereby approved and the actions and activities of the Monitor described therein be and they are hereby approved.

4. **THIS COURT ORDERS** that the First Report of the Monitor, dated January 20, 2012, filed, be and it is hereby approved and the actions and activities of the Monitor described therein be and they are hereby approved.

5. **THIS COURT ORDERS** that the Second Report, filed, be and it is hereby approved and the actions and activities of the Monitor described therein be and they are hereby approved.

EXTENSION OF THE STAY PERIOD

6. **THIS COURT ORDERS** that the Stay Period, is hereby extended until and including March 30, 2012.

WESTCO PRE-FILING LIEN CHARGE

7. **THIS COURT ORDERS** that Westco shall be entitled to the benefit of and is hereby granted a charge (the "Westco Pre-Filing Lien Charge") on the Property, which charge shall not exceed an aggregate amount of \$450,000, as security for the Verified Lien Amount (as such term

is defined in the Cram Affidavit). The Westco Pre-Filing Lien Charge shall rank in priority immediately subordinate to the Administration Charge but otherwise in priority to the Directors' Charge and the DIP Lender's Charge.

8. **THIS COURT ORDERS** that the Westco Pre-Filing Lien Charge shall constitute a charge on the Property and shall rank in priority to the existing security interests of the Bank of Montreal and TD Capital Mezzanine Partners Management Ltd., but behind all other Encumbrances in favour of any Persons that have not been served with notice of this Motion.

9. **THIS COURT ORDERS** that the filing, registration or perfection of the Westco Pre-Filing Lien Charge shall not be required, and that the Westco Pre-Filing Lien Charge shall be valid and enforceable for all purposes, including as against any right, title or interest in the Property, filed, registered, recorded or perfected subsequent to the Westco Pre-Filing Lien Charge coming into existence, notwithstanding any such failure to file, register, record or perfect, under any statute, regulation, rule, instrument or other applicable law.

10. **THIS COURT ORDERS** that except as otherwise expressly provided for in the Initial Order, or as may be approved by this Court, the NFC Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Westco Pre-Filing Lien Charge, unless the NFC Entities also obtain the prior written consent of the Monitor and Westco, or further Order of this Court.

11. **THIS COURT ORDERS** that the Westco Pre-Filing Lien Charge shall not be rendered invalid or unenforceable and the rights and remedies of Westco thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing Agreement which binds the NFC Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Westco Pre-Filing Lien Charge shall not create or be deemed to constitute a breach by the NFC Entities of any Agreement to which it is a party;
- (b) Westco shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Westco Pre-Filing Lien Charge; and
- (c) the granting of the Westco Pre-Filing Lien Charge, does not and will not constitute a preference, fraudulent conveyance, transfer at undervalue, oppressive conduct, or other challengeable or voidable transaction under any applicable law.

12. **THIS COURT ORDERS** that, to the extent the Westco Pre-Filing Lien Charge creates a charge over leases of real property in Canada, the Westco Pre-Filing Lien Charge shall only be a charge in the NFC Entities' interest in such real property leases.

MISCELLANEOUS

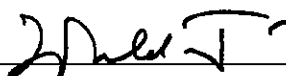
13. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.

14. **THIS COURT HEREBY ORDERS AND REQUESTS** the aid and recognition of any court, tribunal, regulatory, governmental or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the NFC Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory, governmental and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the NFC Entities, the Monitor and their respective agents, as may be necessary or desirable to give effect to this Order or to assist the NFC Entities, the Monitor and their respective agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 16 2012

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

Court File No. CV-12-9554-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND NFC LAND HOLDINGS CORP.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER

(Stay Extension and Westco Pre-Filing Lien Charge)

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