

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL  
COURT N°: 500-11-044114-136  
FILE N°: 41-1698291

IN THE MATTER OF THE PROPOSAL OF LES ALIMENTS NEWLAND  
NORTH AMERICA INC., a company, having its head office at 1000 Saint-  
Charles Avenue, Suite 901, Vaudreuil-Dorion, Quebec, J7V 8P5

SECOND

DEBTOR

**AMENDED PROPOSAL**

We, **LES ALIMENTS NEWLAND NORTH AMERICA INC.**, hereby submit the following proposal pursuant to the *Bankruptcy and Insolvency Act*.

1. For the purposes hereof:

“**ACT**” means the *Bankruptcy and Insolvency Act*;

“**APPROVAL OF THE PROPOSAL**” means the approval of the PROPOSAL by the prescribed majority of the CREDITORS of the COMPANY, and by an order of the COURT which is executory and for which all delays to appeal have expired;

“**CLAIM**” has the meaning given to such term in section 2 of the ACT, and shall also include any claim of any PERSON against the COMPANY with regard to any debt, liability or obligation of any kind owed to such PERSON arising out of the COMPANY’s current restructuring, disclaimer or termination of any contract, lease, employment agreement or any other agreement, whether written or oral, by the COMPANY, as well as any claims by any GOVERNMENTAL AUTHORITY arising directly or indirectly from APPROVAL OF THE PROPOSAL, including all claims related to TAXES, to the goods and services tax and to provincial sales taxes payable following a reduction of or arrangement concerning the liability of the COMPANY inherent to the APPROVAL OF THE PROPOSAL and all claims (real or projected) resulting from application of articles 79 to 80.04 of the *Income Tax Act* (Canada) (or equivalent provisions in the relevant provincial tax laws) with regard to the COMPANY and related to the APPROVAL OF THE PROPOSAL;

“**COMMITTEE**” means the committee formed of at most three (3) individuals pursuant to paragraph 9 hereof;

“**COMPANY**” means Les Aliments Newland North America Inc;



**“COURT”** means the Superior Court of Quebec (Commercial Division), District of Montreal;

**“CREDITOR”** means any PERSON having a CLAIM or a claim against the DIRECTORS and may, where the context requires, include the assignee of a CLAIM or a trustee, interim receiver, receiver, receiver and manager, or other PERSON acting on behalf of such PERSON. A CREDITOR shall not include a PERSON entitled to a CLAIM for PROPOSAL COSTS;

**“DIRECTORS”** means all of past and present directors and officers of the COMPANY and any other PERSON deemed to have acted in such capacity;

**“EXCLUDED IP”** means all of the COMPANY’s right, title and interest to the names “Newland North America Foods”, “Aliments Newland North America Inc.”, as well as the marks, trademarks, designs and other intellectual property relating to those names;

**“GOVERNMENTAL AUTHORITY”** means any (i) provincial, federal, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

**“GROSS AMOUNT”** means C \$2,000,000, to be paid in accordance with the terms of the SALE TRANSACTION;

**“INTERIM RECEIVER”** means Richter Advisory Group Inc. and Blumer Lapointe Tull & Associés Inc., in their capacity as joint interim receivers for the COMPANY;

**“LESSORS CLAIMS”** means the CLAIMS of lessors of real property for the damage resulting from the resiliation or termination of a lease with the COMPANY following receipt of a notice pursuant to s. 65.2 of the Act. Such CLAIMS shall be limited to the actual losses suffered by such lessors as result of that resiliation or termination;

**“NET AMOUNT”** means the GROSS AMOUNT less the RESERVE and after payment of all PROPOSAL COSTS, POST-FILING OBLIGATIONS, the SECURED CLAIMS, the PRIORITY CLAIMS, and all other amounts to be paid in priority to the UNSECURED CLAIMS;

**“NEWCO”** means a company to be designated by Jonathan Morgan;



**"NOTICE OF INTENTION"** means the notice of intention to make a proposal pursuant to the ACT, which notice was filed on December 18, 2012;

**"ORDINARY CREDITORS"** means those PERSONS having UNSECURED CLAIMS against the COMPANY, including, for greater certainty, PERSONS having LESSORS' CLAIMS;

**"PERSON"** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee, unincorporated organization, joint venture, governmental body or agency, or any other entity;

**"POST-FILING OBLIGATIONS"** means all unpaid obligations incurred by the COMPANY in the course of its activities since the filing of the NOTICE OF INTENTION, and those which it foresees up to the moment of execution of the PROPOSAL;

**"PRIORITY CLAIMS"** means all CLAIMS which must by the ACT be paid in priority to all other CLAIMS sharing in the estate of an insolvent debtor;

**"PROPOSAL"** means the present amended proposal, which replaces the proposal previously filed by the Company, as it may be further amended;

**"PROPOSAL COSTS"** means all fees, costs, undertakings and obligations of the TRUSTEE, and all the legal fees due to its advisors or those of the COMPANY and accounting fees relating to or resulting from the NOTICE OF INTENTION, the PROPOSAL and/or the TRANSACTION, and shall also include the fees, costs, undertakings and obligations of the INTERIM RECEIVER and counsel to the INTERIM RECEIVER for services rendered up to the date of completion of their respective duties under the PROPOSAL;

**"PROPOSAL MEETING"** means the meeting of CREDITORS of the COMPANY in order to consider the PROPOSAL;

**"RESERVE"** has the meaning set forth in paragraph 8 hereof;

**"SALE TRANSACTION"** means a transaction pursuant to which NEWCO acquires all of the assets and property of the COMPANY, other than the EXCLUDED IP and claims and rights provided for in Section 10 hereof for a purchase price of \$2,000,000 plus applicable taxes, such purchase price to be reduced by the net proceeds realized from the Company's assets prior to the conclusion of the SALE TRANSACTION, the whole in accordance with the terms reflected in the Memorandum of Understanding agreed to between the TRUSTEE, the INTERIM RECEIVER, and Jonathan Morgan, on behalf of NEWCO;

**"SECURED CLAIMS"** means CLAIMS of SECURED CREDITORS;



**“SECURED CREDITORS”** has the meaning given in the ACT;

**“SETTLEMENT DATE”** means May 3, 2013, being the date on which the GROSS AMOUNT is to be paid, as it may be extended by the COMMITTEE;

**“TAXES”** means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a GOVERNMENTAL AUTHORITY, including (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (b) all withholdings on amounts paid to or by the relevant PERSON, (c) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (d) any fine, penalty, interest, or addition to tax, (e) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

**“TRUSTEE”** means Richter Advisory Group Inc. / Richter Groupe Conseil Inc. (formerly RSM Richter Inc.) licensed trustee, acting as trustee to the PROPOSAL;

**“UNSECURED CLAIMS”** means the CLAIMS of any CREDITOR, which are not SECURED CLAIMS, PRIORITY CLAIMS, CLAIMS for PROPOSAL COSTS or POST-FILING OBLIGATIONS, including CLAIMS of any kind whatsoever, whether due or not on the date of the filing of the NOTICE OF INTENTION, including contingent or unliquidated CLAIMS resulting from any transaction concluded by the COMPANY prior to the filing of the NOTICE OF INTENTION and, as the case may be, all damages or other amounts due to the coming into force of the PROPOSAL that could be claimed by any CREDITOR of the COMPANY;

2. The SECURED CLAIMS shall be paid in priority to any other CLAIMS from the GROSS AMOUNT.
3. The amounts:
  - (a) due to Her Majesty the Queen in right of Canada or of any province, which are subject to a demand under subsection 224(1.2) of the *Income Tax Act* or of any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection



224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the ACT, and that were outstanding at the time of the filing of the NOTICE OF INTENTION shall be paid in their entirety, without interest, from the GROSS AMOUNT, within six months after the APPROVAL OF THE PROPOSAL;

- (b) which employees (past and present) would be entitled to receive pursuant to paragraph 136(1)(d) of the ACT if the COMPANY had been declared bankrupt on the date of the APPROVAL OF THE PROPOSAL shall be paid in their entirety immediately after the APPROVAL OF THE PROPOSAL from the GROSS AMOUNT.
4. The PROPOSAL COSTS shall be paid from the GROSS AMOUNT in priority to all CLAIMS other than the SECURED CLAIMS.
  5. The PRIORITY CLAIMS, without interest or penalty, shall be paid in their entirety from the GROSS AMOUNT in priority to all UNSECURED CLAIMS, within sixty (60) days following the APPROVAL OF THE PROPOSAL.
  6. The POST-FILING OBLIGATIONS shall be paid in the ordinary course of business.
  7. Each ORDINARY CREDITOR shall receive, in full and final payment of its UNSECURED CLAIM, without interest or penalty:
    - (a) By way of interim dividend within ninety (90) days of the APPROVAL OF THE PROPOSAL, a pro rata share of the balance of the NET AMOUNT available for distribution
    - (b) By way of final dividend thereafter when reasonably determined to be appropriate by the Trustee, a pro rata share of the proceeds of : (i) any realization of the EXCLUDED IP, and (ii) any remedy taken pursuant to Section 10 hereof to attack or set aside a preference, transfer at undervalue, or other fraudulent preference or transaction at the moment the dividend is to be paid less any amount set aside for the RESERVE paid or to be paid as herein provided; and
    - (c) When so decided by the COMMITTEE or, if no such COMMITTEE is in place, when the TRUSTEE so decides it is reasonable to pay any other interim dividend(s).



8. In order to proceed with the payments set forth in Section 7 (a) above, the COMPANY and TRUSTEE are hereby authorized to set up a reasonable reserve fund included as part of the GROSS AMOUNT as may be determined by the TRUSTEE in its sole discretion acting reasonably (the "RESERVE"). The RESERVE is to be funded from amounts on hand, the collection of receivables and sale of assets by the COMPANY to be held by the TRUSTEE to ensure the payment by the COMPANY of any and all PROPOSAL COSTS and obligations which may arise from the contestation of CLAIMS, and the fees, costs and disbursements of the TRUSTEE and its legal counsel and experts relating to any remedy taken by the TRUSTEE pursuant to Section 10 hereof.
  
9. The COMPANY consents to the creation of a committee which shall be formed of at most three (3) individuals designated by the CREDITORS at the PROPOSAL MEETING, if they so wish. The COMMITTEE shall have the following powers:
  - (a) to advise the TRUSTEE with respect to the administration of the PROPOSAL;
  - (b) to waive any default in the execution of the PROPOSAL, excluding without limitation, extending the SETTLEMENT DATE;
  - (c) to confirm that the COMPANY has satisfied all of the terms and conditions of the PROPOSAL; and
  - (d) to adjourn the payment of all dividends to ORDINARY CREDITORS provided for hereunder.
  
10. Sections 95 to 101 of the ACT will apply to the PROPOSAL, and the TRUSTEE will have the power to attack or set aside a preference, transfer at undervalue, or other fraudulent preference or transaction pursuant to those sections or arts. 1631ss of the Civil Code of Quebec. For greater certainty Section 101.1 of the ACT shall not apply in respect of the present PROPOSAL.

Notwithstanding the foregoing, the TRUSTEE and the CREDITORS do upon the APPROVAL OF THE PROPOSAL waive all rights and any remedies they have or may have to set aside, review or otherwise attack, whether such SUBJECT TRANSACTIONS could be attacked under Sections 95 to 101 of the ACT, or pursuant to Articles 1631 ss of the Civil Code of Quebec, any payments, transfers of property, or provisions of services made, any charge on property created by, any obligation assumed by, or any transaction entered into by the DEBTOR (a "SUBJECT TRANSACTION") in favour of Jonathan Morgan or 7258500 Canada Inc.



Furthermore, provided PJ Impex Inc. discharges any and all hypothecs, security interests or other liens it holds on the COMPANY's property, which discharge is a condition of this PROPOSAL, the TRUSTEE and the CREDITORS do hereby waive all rights and any remedies they have or may have to set aside, review or otherwise attack, any SUBJECT TRANSACTION entered into between the COMPANY and PJ Impex Inc., and such waiver shall remain binding upon the TRUSTEE and the CREDITORS notwithstanding any subsequent annulment of the PROPOSAL or any assignment by, or bankruptcy of, the DEBTOR. The TRUSTEE, duly authorized by the CREDITORS, shall forthwith enter into a contract with PJ Impex Inc. to such effect.

11. Upon the APPROVAL OF THE PROPOSAL, all CREDITORS of the COMPANY will be deemed to have released, and to have given a full and final discharge of all rights, claims or other recourses of any nature whatsoever which they had, have, or could have had against the COMPANY, its DIRECTORS, its legal counsel, financial advisors, management, representatives, agents and assigns, including without limitation, as regards the DIRECTORS, of any and all CLAIMS for which they would be under any law liable in their capacity as DIRECTORS for the payment of such CLAIMS.
12. All amounts payable under the PROPOSAL shall be remitted to the TRUSTEE so that it may distribute the dividends pursuant to the PROPOSAL.
13. For greater clarity, the CREDITORS in the event of acceptance of the PROPOSAL and subject to the Court approving the PROPOSAL as provided for in the definition of "APPROVAL OF THE PROPOSAL" do approve and ratify the SALE TRANSACTION, so long as the GROSS AMOUNT is received by the TRUSTEE on or before the SETTLEMENT DATE. In the event the GROSS AMOUNT is not received by the SETTLEMENT DATE, the TRUSTEE shall move to have the PROPOSAL set aside and the COMPANY adjudged bankrupt. It is understood that the TRUSTEE shall be under no obligation to apply for ratification of the PROPOSAL until and unless the GROSS AMOUNT is paid and received by the SETTLEMENT DATE.

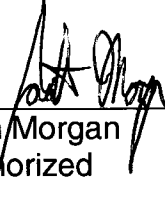


IN CASE OF DISCREPANCY BETWEEN THE FRENCH AND ENGLISH  
VERSIONS OF THE PROPOSAL, THE ENGLISH VERSION SHALL PREVAIL.

MADE IN MONTREAL, QUEBEC, THIS 9<sup>th</sup> DAY OF APRIL, 2013.

  
\_\_\_\_\_  
Witness

**LES ALIMENTS NEWLAND NORTH  
AMERICA INC.**

  
\_\_\_\_\_  
By: Jonathan Morgan  
Duly authorized



## CHINESE AGREEMENT

April 19, 2013

Hugo Babos-Marchand  
Dir 514 841 6536  
hbabosmarchand@dwpv.com

File No. 243086

**WITHOUT PREJUDICE  
BY E-MAIL**

Me Neil H. Stein  
**STEIN & STEIN INC.**  
4101, rue Sherbrooke Ouest  
Westmount (Québec) H3Z 1A7

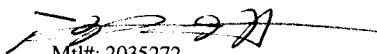
**Re: In the matter of the proposal of Newland North America Foods Inc.**

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Dear colleague:

Reference is made to our various discussions regarding a contemplated settlement, without admissions, of any and all claims that Zhejiang Zhongda Newland Co., Ltd. (“**Zhongda**”), UC Pharm Company Ltd. and Ms. Chen Wei (collectively, the “**Creditors**”) have against the debtor, Newland North America Foods Inc. (the “**Debtor**”), as well as any claim or cause of action that the Trustee and the Debtor have or may have against the Creditors for any reason whatsoever. The present letter is sent to you on behalf of all the Creditors.

The Creditors, on one part, and the Trustee and the Debtor, on the other part, will agree to settle, transact and grant a mutual, full and final release and discharge of any and all claims, actions, demands, obligations, liabilities, costs and expenses, of whatsoever nature or source, which they ever had, now have or their respective predecessors, successors and assigns can have, whether known or unknown, vested or contingent, direct or indirect, individually or collectively, against each other, for or by reason of, or in relation to, any reason, fact, matter or transaction whatsoever, without admissions and for the sole purpose of avoiding the costs of litigation amongst each other with respect to said claims, and without prejudice to any claims of the Creditors, the Trustee and the Debtor against third parties having previously guaranteed jointly or severably any obligations of the Creditors, the Trustee and the Debtor. As a consequence of the above, the Creditors will agree to withdraw their proofs of claim filed in the matter of the proposal of the Debtor in file 500 - 11 - 044114 - 136 (and will abstain from voting on the amended or re-amended proposal being voted on at the meeting of creditors on April 19, 2013) and to renounce to any right of dividend or distribution with respect to said proofs of claims, the whole subject to the following conditions:

  
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C.W.



1. Without limitation to the foregoing, the Trustee and the creditors of the Debtor (in so far as they have rights pursuant to section 38 of the *Bankruptcy and Insolvency Act* or otherwise in respect of claims transferred to them in right of the Trustee or the Debtor against the Creditors) will by way of acceptance of the proposal and approval of same by the Court waive all such rights and any remedies they have or may have against the Creditors for actions of the Creditors that would have occurred before or after the filing – on or about December 18, 2012 – of a notice of intention to make a proposal by the Debtor under the *Bankruptcy and Insolvency Act*, including, without limitation to the foregoing, to set aside, review or otherwise attack under sections 95 to 101 of the *Bankruptcy and Insolvency Act* or under articles 1631 and following of the *Civil Code of Québec* any payments, transfers of property, provisions of services made, charge on property created by, obligation assumed by or any transaction entered into by the Debtor in favour of the Creditors. Such waiver will have to be included in an amendment to the current amended proposal that will be submitted to the creditors of the Debtor for acceptance.
  
2. The Trustee, the Debtor and Jonathan Morgan will transfer and assign to Zhongda all of their rights, title and interests including, without limitation to the foregoing, their rights, title and interest in and to the marks, trademarks, designs and other intellectual property they use or have or may use or have in the names “Newland”, “Newland Design”, “Newland North America Foods” and “Aliments Newland North America” (collectively, the “**Trademarks**”). Such transfer and assignment will have to be included in an amendment to the current amended proposal that will be submitted to the creditors of the Debtor for acceptance. The Trustee and the Debtor will undertake to cause the name of the Debtor to be changed so that the Trademarks are removed therefrom. The Trademarks will also have to be removed from any internet or email address used by the Debtor or by Jonathan Morgan. The Debtor and Jonathan Morgan will further undertake to withdraw their contestation of the Trademarks and will covenant and agree to refrain, in the future, from contesting, directly or indirectly, in any way whatsoever Zhongda’s right of property or right of usage in the Trademarks. It is acknowledged and agreed that the Debtor, Jonathan Morgan as well as any legal persons controlled or formed by them shall not have the right to, directly or indirectly, use in any way whatsoever the Trademarks. Notwithstanding anything contained herein it is agreed that the Trustee on behalf of the Debtor shall be entitled to use the Trademarks in order to effect sales of inventory, issue bills and collect accounts receivables during the period of the interim receivership of the Debtor and insofar as same may be necessary to complete all matters of administration of the proposal of the Debtor. In no event shall the Trustee hold itself out as having any right to use the Trademarks for any other purpose.




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C.W. 

3. The Trustee, the Debtor and Jonathan Morgan will covenant and agree to sign and execute in a timely manner all acts, deeds and administrative proceedings that are necessary or desirable to give full force and effect to the contemplated settlement agreement.
4. The contemplated settlement agreement will be subject to the acceptance by the creditors of the Debtor of such amended proposal incorporating the amendments described herein and to the approval by the Court of such amended proposal incorporating the amendments described herein.
5. The contemplated settlement agreement will as well be subject to the following representations and warranties made by the Creditors, the Trustee and the Debtor, provided that each of said parties further confirm the following representations, and that said parties' counsels are not making any representations themselves on behalf of their clients in the present letter:
  - a. that they have the power, capacity and authority to sign the contemplated settlement agreement and grant the releases and discharges herein provided;
  - b. that the contemplated release herein will be binding on all of the Creditors, the Trustee, the Debtor and its creditors;
  - c. that the Creditors, the Trustee, the Debtor and its creditors will not assert in relation to any claim or matter released herein, any claim against any other person, firm, partnership or corporation, who in turn, may assert a claim for contribution, indemnity or any claim in warranty against any of the released parties, save and except with respect to a claim against any person, firm, partnership or corporation having previously guaranteed jointly or severably any obligations of the released parties;
  - d. that the Creditors, the Trustee, the Debtor and its creditors have not sold, assigned, granted any security on or transferred to any other person or entity any claim, counterclaim or cause of action covered by the terms of the contemplated settlement agreement;
  - e. that the Creditors, the Trustee, the Debtor and its creditors are entering into the contemplated settlement agreement voluntarily, free of choice, without inducement or statement made by any party other than as herein provided;
  - f. that the Creditors, the Trustee, the Debtor and its creditors have had adequate time and opportunity to obtain the advice of counsel.

Should your client agree to the terms of the contemplated settlement agreement contained herein, please countersign the present letter and have Jonathan Morgan's counsel do the

  
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C.W. 

same. We would ask that a duly signed copy of the present letter be returned to our attention prior to the opening of the creditors' meeting of April 19, 2013.

Yours very truly,

DAVIES WARD PHILLIPS & VINEBERG LLP

  
Per: ~~Hugo Babos-Marchand~~

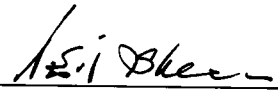
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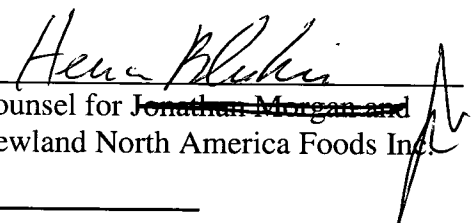
c. c. Philip Manel, *Richter Advisory Group*  
Guillaume-Pierre Michaud, *Fasken Martineau DuMoulin*  
Chen Wei, for *UC Pharm Company Ltd.* and in her personal capacity  
Yuzhou Wang, *Zhejiang Zhongda Newland Co., Ltd.*

On behalf of their respective client, the undersigned acknowledge and accept the stipulations contained herein.

STEIN & STEIN INC.

HEENAN BLAIKIE LLP

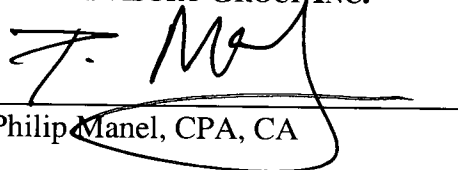
Per:   
Counsel for Richter Advisory Group

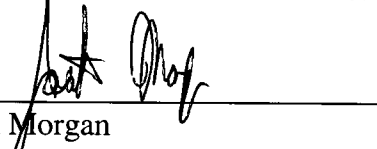
Per:   
Counsel for ~~Jonathan Morgan and~~  
Newland North America Foods Inc.

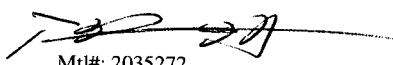
Each of Richter Advisory Group, Newland North America Foods Inc., Jonathan Morgan, Zhejiang Zhongda Newland Co., Ltd., UC Pharm Company Ltd. and Ms. Chen Wei intervenes to the present letter in order to acknowledge and accept the stipulations contained herein.

RICHTER ADVISORY GROUP INC.

NEWLAND NORTH AMERICA FOODS INC.

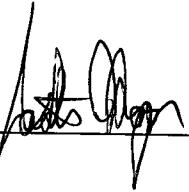
Per:   
Philip Manel, CPA, CA

Per:   
Jonathan Morgan

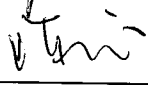
  
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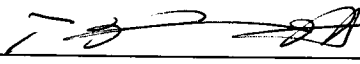
**JONATHAN MORGAN**

Per:  \_\_\_\_\_


**UC PHARM COMPANY LTD.**

Per:  \_\_\_\_\_  
Chen Wei

**ZHEJIANG ZHONGDA NEWLAND Co.,  
LTD.**

Per:  \_\_\_\_\_  
Yuzhou Wang

**CHEN WEI**

Per:  \_\_\_\_\_

## ESCROW AGREEMENT

**ESCROW AGREEMENT**

**MEMORANDUM OF AGREEMENT** entered into at Montreal, Québec, this 19<sup>th</sup> day of April 2013.

**BETWEEN:** **JONATHAN MORGAN, on behalf of a company to be incorporated (the "Purchaser"),** having a place of business at: [TBC by Jonathan]

**AND:** **RICHTER ADVISORY GROUP INC., in its capacity as trustee to Newland North America Foods Inc. having an office at 1981 McGill College, Montreal, Quebec H3A 0G6 (the "Trustee")**

**AND:** **RICHTER ADVISORY GROUP INC., in capacity as joint interim receiver to Newland North America Foods Inc. having an office at 1981 McGill College, Montreal, Quebec H3A 0G6 (the "Escrow Agent")**

**WHEREAS** on December 18, 2012, Newland North America Foods Inc. (the "Debtor"), filed a notice of intention to make a proposal under the Bankruptcy and Insolvency Act (the "BIA"), and the Trustee accepted to act as trustee to that notice of intention;

**WHEREAS** on January 17, 2013, the Debtor filed a proposal under the BIA (the "Proposal");

**WHEREAS** by order rendered February 11, 2013, the Trustee and Blumer, Tull, Lapointe & Associés inc. were appointed as joint interim receivers to the Debtor;

**WHEREAS** the Debtor has put forward an amended proposal to its creditors (as same may be further amended, replaced or restated, the "Amended Proposal") which contemplates the sale of substantially all of the Debtor's assets to the Purchaser in consideration for an amount of \$2,000,000 being made available to the Debtor's creditors from the proceeds of realization of its property and such amount which may be required in order to obtain the aforementioned amount of \$2 million, to be remitted by Mr. Jonathan Morgan (the "Contemplated Sale"), the whole to be more fully set out shortly hereinafter, in a memorandum of understanding ["MOW] with respect thereto;

**WHEREAS** in order ensure that the creditors would afford a delay to the Company [from the April 2, 2013 Meeting of Creditors] so that it may put forth an Amended Proposal to the Debtor's creditors to be voted upon on or before May 3, 2013, the Purchaser has agreed to remit an





amount of \$50,000 (the "Escrow Amount") to the Escrow Agent, to be applied against the purchase price if the Contemplated Sale is concluded, or dealt with as set out below if it does not;

**NOW THEREFORE**, the parties agree as follows:

1. **Escrow.**

The Escrow Agent hereby acknowledges receipt of the Escrow Amount and agrees to hold the Escrow Amount as provided in this Agreement.

2. **Investment of Escrow Funds.**

The Escrow Amount shall be held by the Escrow Agent in its trust account, and shall be disbursed in accordance with the terms hereof.

3. **Escrow Release Date.**

Subject to the terms and conditions of this Agreement, and provided the Contemplated Sale closes, within three (3) Business Days following the earlier of : (a) the date on which a Final Order is rendered authorizing the Contemplated Sale, or (b) the date on which a Final Order is rendered approving the Amended Proposal, the latter which entails the Contemplated Sale, or such other date as may be agreed to in writing by the parties, the Escrow Agent shall pay the Escrow Amount to the Trustee, in reduction of the purchase price to be distributed to the creditors of the Debtor (the "Creditors"), in accordance with the terms of the Amended Proposal, or according to the BIA in the event the Amended Proposal is not accepted by the Creditors or not approved by the Court, but the Contemplated Sale takes place nonetheless.

In the event the Contemplated Sale does not close, then:

- a) If the conditions precedent to the Contemplated Sale have been met, but it does not proceed for any reason solely attributable to the fault of the Purchaser, the Escrow Amount will be forfeited and shall be remitted to the Trustee for distribution in accordance with the BIA; or
- b) If the Contemplated Sale does not proceed for a reason not solely attributable to the fault of Purchaser, or the MOU is not executed hereinafter by the parties, the Escrow Agent will return the Escrow Amount to the Purchaser,

and neither the Trustee or the Escrow Agent, on the one hand, or the Purchaser, on the other hand, will have any further rights against the other.

In each case, the Escrow Agent will be authorized to rely upon the joint written confirmation by the Trustee and the Purchaser of the realization of any of the foregoing conditions, or failing such joint written confirmation, a Final Order of the Court.

For purposes hereof: "Final Order" shall mean a final judgment of the competent court from which there is no appeal available approving the Contemplated Sale or the Amended Proposal, as



the case may be; "Business Day" shall mean any day, other than Saturday, Sunday and any other day which in Montreal, Quebec, is a legal holiday.

**4. Fees and Disbursements.**

Any fees charged by the Escrow Agent to carry out its duties hereunder are included in the fees the Escrow Agent shall charge for the performance of its duties as joint interim receiver.

**5. Removal of Escrow Agent.**

The Escrow Agent may not resign or be removed except for cause and only with permission of the "court", as such term is defined in the BIA.

**6. Duties and Liabilities of the Escrow Agent.**

The sole obligations of the Escrow Agent to the Purchaser, the Trustee and the Creditors hereunder are to hold and deal with the Escrow Amount in accordance with the terms and conditions of this Agreement; the Escrow Agent has no further or other obligations to the Purchaser, the trustee or the Creditors, and no implied duties or obligations of the Escrow Agent shall be read into this Escrow Agreement. The following provisions shall apply to the Escrow Agent in performing its duties hereunder:

- (a) The Escrow Agent shall have no obligation with respect to any claim or direction which exceeds the amount of the Escrow Funds held by the Escrow Agent at any given time and it shall be obliged only to disburse the Escrow Funds held by it at such time, pursuant to this Agreement.
- (b) The Escrow Agent shall not in any way be bound or affected by any waiver, modification, amendment, termination (other than as expressly contemplated herein), rescission or cancellation of the escrow arrangements herein or this Agreement, unless in writing and signed by all of the parties hereto, including the Escrow Agent.
- (c) The Escrow Agent shall not be required to take notice of, or act upon any default nor to enforce any obligation of any person, whether by legal proceedings or otherwise.
- (d) The Escrow Agent shall have no obligation to disburse or expend any of its own funds or assets in performing its services as escrow agent hereunder and it shall not be required to take any action, including the institution of any proceedings, unless it is satisfied, in its sole and absolute discretion, that all costs and expenses related thereto are fully covered on its behalf.



- (e) The Escrow Agent may seek the advice of independent legal counsel, in the event of any question or dispute as to the interpretation of any of the provisions hereof or its duties hereunder and it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such legal counsel.
- (f) The Escrow Agent shall in no case or event be liable for any error of judgment, any action taken or omitted to be taken in good faith, including in the exercise of its discretion, any mistake of fact or law, or anything that may be done or omitted to be done by it or its partners, employees and agents in connection herewith, save in the case of its own gross negligence. Without limiting the generality of the foregoing, the Escrow Agent shall be fully protected and shall incur no liability whatsoever in acting in accordance with the provisions hereof, including for any loss or loss of value incurred in investing the Escrow Amount and the Escrow Funds, whether arising out of the insolvency or bankruptcy of any financial institution with which the Escrow Amount and the Escrow Funds are deposited or invested or in any other manner.
- (g) The Escrow Agent may withhold and refuse to release or disburse any funds that are to be paid out of the Escrow Funds until payment in full to it of any and all amounts owing or to be paid to it hereunder, whether by way of indemnification, payment of fees, costs, disbursements and expenses, reimbursement of amounts paid by it or otherwise.

**7. Joint Instructions and Court Orders.**

Notwithstanding anything contained herein, the Escrow Agent shall deal with the Escrow Funds in accordance with any written directions signed by both the Purchaser and the Trustee and delivered to the Escrow Agent. The Escrow Agent shall further comply with and obey any Final Order and it shall not be liable by reason of such compliance to any of the parties or to any other person, even if any such Final Order be subsequently reversed, modified, annulled, set aside or vacated.

**8. Release and Discharge of Escrow Agent.**

The Escrow Agent shall automatically be released and discharged from all obligations and liability under this Agreement upon the date on which the Escrow Agent has released or paid all of the Escrow Funds pursuant to the provisions hereof, save for any liability that results from the gross negligence or intentional fault of the Escrow Agent prior to such date.

**9. Notices.**

Any notice, instructions, directions or other communication (collectively, a "notice") required or permitted to be given hereunder shall be in writing and shall be given by registered mail, messenger, service by bailiff, hand-delivery, with proof of delivery required, or electronic means capable of providing reliable evidence of receipt of the addressee, during normal business hours on a Business Day. Such notice shall be addressed as set out below. Notice of any change of address shall also be governed by this section.



In the case of a notice to the Purchaser:

● [TBC]

Attention: Jonathan Morgan

In the case of a notice to the Trustee:

**RICHTER ADVISORY GROUP INC.,**  
in its capacity as trustee to Newland North America Foods Inc.  
1981 McGill College,  
Montreal, Quebec H3A 0G6

Attention: Philip Manel—pmanel@richter.ca

In the case of a notice to the Escrow Agent:

**RICHTER ADVISORY GROUP INC.,**  
in its capacity as joint interim receiver to Newland North America Foods Inc.  
1981 McGill College,  
Montreal, Quebec H3A 0G6

Attention: Philip Manel

Any notice sent in accordance with this section 9, if delivered during normal business hours on a Business Day, shall be deemed to have been received on the date of delivery; provided that any notice delivered or transmitted on a day that is not a Business Day or after normal business hours on a Business Day shall be deemed to have been received on the next Business Day.

**10. Delays.**

In computing any delay or time period under this Agreement, the first day thereof is not counted, but the last day is counted. However, if the last day of the delay or time period is a day that is not a Business Day, such delay or time period shall be extended to the next Business Day; and if any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, such action shall be taken on or by the next Business Day.

**11. Severability.**

Each of the provisions of this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision thereof.



**12. Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

**13. Amendment.**

This Agreement may not be amended, supplemented or modified except by a written instrument duly executed by or on behalf of each party hereto.

**14. Headings.**

The inclusion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

**15. Counterparts.**

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and all such counterparts together shall constitute one and the same agreement.

**16. Preamble and Schedules.**

The preamble and Schedules are incorporated by reference herein and form an integral part hereof.

**17. Time of the Essence.**

Time is of the essence of this Agreement.

**18. Assignment.**

Neither the Purchaser nor the Seller may assign this Agreement or any of its rights or obligations hereunder, in whole or in part, without the prior written consent of the other parties hereto, including the Escrow Agent, and any attempt to do so shall be void. Subject to the preceding sentence, this Agreement is binding upon and enures to the benefit of the parties hereto and their respective successors and permitted assignees.

**19. Waiver.**

No waiver of any provision of this Agreement shall be valid unless executed in writing by all of the parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided. Any failure by any party hereto at any time to insist upon strict performance of any obligation set forth in this Agreement shall not be deemed a waiver of its right at any time thereafter to insist upon strict performance thereof, or of any other covenant contained herein.



**20. Further Assurances.**

Each of the Purchaser and the Trustee shall, from time to time, and at all times hereafter, at the request of the Escrow Agent, do all such further acts and execute and deliver all such further documents and instruments as the Escrow Agent shall reasonably require in order to fully perform and carry out the terms and intent hereof.

**21. Language.**

The parties have requested that this Agreement and all related documents executed pursuant to the Agreement be drafted in the English language. *Les parties ont demandé que cette convention et tous documents y afférents soient rédigés en langue anglaise.*

**IN WITNESS WHEREOF**, the parties have executed this Escrow Agreement on the date first hereinabove mentioned.

**Jonathan Morgan, on behalf of a company to be incorporated**

Per: \_\_\_\_\_  
Name:  
Title:

**RICHTER ADVISORY GROUP INC., in its capacity as trustee**

Per: \_\_\_\_\_  
Name:  
Title:

**RICHTER ADVISORY GROUP INC., in its capacity as joint interim receiver,  
as escrow agent**

Per: \_\_\_\_\_  
Name:  
Title:

MEMORANDUM OF AGREEMENT

**Memorandum of Agreement entered into at Montreal, Quebec this 19<sup>th</sup> day of April 2013**

**BY AND BETWEEN:**

**RICHTER ADVISORY GROUP INC.**, in its capacity as trustee in the proposal of Newland North America Foods Inc., hereinafter referred to as the

**“Trustee”**

**AND: P.J. IMPEX INC.**, a body politic and corporate, duly incorporated according to law, and having its head office and principal place of business at 5532 St. Patrick Street, Suite 3, Montreal, Quebec, H4E 1A8

, hereinafter referred to as

**“Impex”**

**WHEREAS** Newland North America Foods Inc. (the “**Debtor**”) has filed, in the hands of the Trustee, an amended proposal (the “**Amended Proposal**”) bearing date of April 9, 2013;

**WHEREAS** the Amended Proposal provides, *inter alia at Section 10*, for the abandonment by Impex of its security in consideration of a release and discharge by the Trustee as indicated in the Amended Proposal and hereafter set forth;

**WHEREAS** it is the intention of the parties to enter into the present agreement in order to comply with the terms of Section 10 of the Amended Proposal;

**NOW, THEREFORE, THE PRESENT AGREEMENT WITNESSETH:**

1. **THAT** the preamble hereto shall form part hereof and shall avail as if recited at length herein.
2. **THAT** the following words or terms, when used in the present agreement, have the following meanings:



- (a) **“Creditor”** means any person having a claim provable in bankruptcy in respect of the Proposal of the Debtor;
  - (b) **“Debtor”** or **“Company”** means Newland North America Foods Inc.;
  - (c) **“Final Ratification”** means the judgment of the Honourable, the Superior Court Sitting in Matters of Bankruptcy and Insolvency (Commercial Division) ratifying the Proposal accepted by the Creditors by the required statutory majority provided that such ratification is not appealed and, if appealed, dismissal of the appeal, rendering the ratification final and without the possibility of further appeal;
  - (d) **“Proposal”** means the Amended Proposal filed by the Debtor on or about the 9<sup>th</sup> day of April 2013 including any further amendment or variation thereof;
  - (e) **“Security”** means that conventional hypothec without deposal published on the fourth day of December 2012 in the *Registre des droits personnels et reals mobiliers* in favour of Impex encumbering all of the assets of the Debtor as therein described;
  - (f) **“Subject Transaction”** means any transaction between Impex and the Debtor which the Trustee and/or the Creditors may have the right to attack or set aside a preference, transfer at undervalue or other fraudulent preference or transaction pursuant to Sections 95 to 101 of the *Bankruptcy and Insolvency Act (Canada)* (the **“BIA”**) or Article 1631 of the *Civil Code of Quebec* or otherwise and any payments, transfers of property or provisions of services made or any charge on property created by or any obligation assumed by, or any transaction entered into by the Debtor in favour of Impex;
3. **THAT** the provisions of the present agreement shall avail notwithstanding Section 101.1(3) of the BIA or any other provision of law which could supercede any provisions of the present agreement.
  4. **THAT** in consideration of the discharge by Impex of the Security, the Trustee and the Creditors do upon discharge of the Security waive all rights and any remedies they have or may have to set aside, review or otherwise attack any Subject Transaction entered into between the Debtor and Impex and such waiver shall be binding upon the Trustee and the Creditors notwithstanding any subsequent annulment of the Proposal or any assignment by, or bankruptcy of, the Debtor.
  5. **THAT** forthwith upon signature of these presents and Final Ratification of the Proposal, Impex shall radiate the Security and rank for dividend purposes as an unsecured creditor in the amount of \$1,366,653.49,
  6. **THAT** the present agreement shall only come into effect upon Final Ratification of the Proposal, provided, however, that there shall have been no further amendment to the

Proposal after April 9, 2013, which, in the unfettered judgment of Impex, adversely affects its interests.

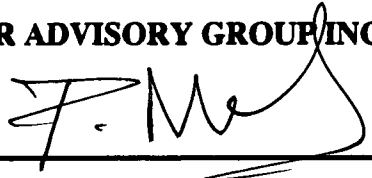
- 7. **THAT** the parties hereto acknowledge that they have required that this agreement and all related documents be drawn up in English.

Que les parties aux présentes reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais

AND THE PARTIES HAVE SIGNED at the place and on the date first hereinabove mentioned.

**RICHTER ADVISORY GROUP INC.**

**P.J. IMPEX INC.**

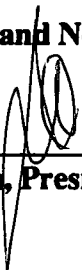
Per: 

Per: 

**Trustee in the Proposal of Les Aliments  
Newland North America Inc. and duly  
authorized by the Creditors at the meeting  
of creditors held on ● APRIL 19, 2013**

And did hereto intervene **Les Aliments Newland North America Inc.** having taken cognizance of the annexed agreement does agree to be bound thereby as provided for in its Amended Proposal.

**Les Aliments Newland North America Inc.**

Per:   
**Johnathan Morgan, President**

*Ad Hoc Committee*  
*Pierre Saint*  
*Johnathan Morgan*  
*Wain*

## MEMORANDUM OF UNDERSTANDING

## MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING entered into at Montreal, Québec, effective the 16<sup>th</sup> day of April 2013.

**BETWEEN:** JONATHAN MORGAN, on behalf of a company to be incorporated (the "Purchaser")

**AND:** RICHTER ADVISORY GROUP INC., in its capacity as trustee to Newland North America Foods Inc. (the "Trustee")

**AND:** RICHTER ADVISORY GROUP INC., and BLUMER, TULL, LAPOINTE & ASSOCIÉS INC., in their capacity as joint interim receiver to Newland North America Foods Inc. (the "Interim Receiver")

**AND:** NEWLAND NORTH AMERICA FOODS INC. ("Newland")

To which intervene the members of the Ad Hoc Creditors' Committee

1. In consideration of Newland agreeing to deposit with the Trustee Net Proceeds from realization of its assets or otherwise of \$2 million, yielding a net dividend to Creditors of \$1,700,000.00 after payment of fees and disbursements as herein provided the Trustee and the Interim Receiver agree to recommend acceptance of an Amended proposal (the "Proposal") by Newland whereby Newland will sell to the Purchaser substantially all of Newland's residual assets , as more fully set out herein.

"**Net Proceeds**" means all realization proceeds emanating from the assets of Newland, plus such further amounts to be funded by Jonathan Morgan personally/other sources/refinancing, less expenses of operations, excluding deduction of professional fees to March 22, 2013 except for those already provided for in the trust accounting of the Interim Receiver in the approximate amount of \$93,530(i.e three professionals paid at various dates, as per the Reconciliation of Cash Position from January 12 to March 22, 2013) (hereafter, the "**Reconciliation**"). For clarity, the Reconciliation as a March 22, 2013 reflected a cash balance in the Interim Receiver's trust account of \$1,356,393 before the accrual of additional professional fees to March 22, 2013 (hereafter, the "**Accrual of Professional Fees to March 22**") . It is not intended that the Accrual of Professional Fees to March 22, nor professional fees incurred thereafter (the "**Subsequent Professional Fees**") be deducted from the realization proceeds to arrive at the calculation

of Net Proceeds except to the extent of "Availability" as such term is defined below. All professional fees will be deducted from the Net Proceeds in respect of the ultimate amount to be distributed by dividend pursuant to the Proposal, a copy of which is attached as Exhibit "A".

2. The Net Proceeds shall be paid to Newland's creditors pursuant to the terms of the Proposal include, amongst other matters:
  - (a) deduction from the Net Proceeds of the Accrual of Professional Fees To March 22 & Subsequent Professional Fees, and expenses relating to the Proposal;
  - (b) release of all claims by the Trustee and Creditors against Jonathan Morgan and his holding company;
  - (c) release of all claims by the Trustee and the Creditors against PJ Impex Inc. in consideration for which PJ Impex Inc. shall release its hypothecary security charging all assets of Newland;
  - (d) retention by the Trustee and Creditors of the right to attack and benefit from all other Reviewable Transactions, Preferential Payments, Paulian Actions and illegal payments and similar recourses, all proceeds arising therefrom to be in addition to the Net Proceeds;
  - (e) retention by the Creditors of the rights and ownership of the name "Newland", the right to cause Newland to change its name and transfer all rights to same to the Creditors, and all Trade Mark rights in respect of the name Newland and all proceeds arising from sale, transfer use or renunciation to same, all such proceeds to be added to the Net Proceeds;

the whole as more fully set out in the Proposal as may be further amended and approved by the Court.

3. The fees of the Interim Receiver for the period from April 3 to May 3, 2013 (the "**Ongoing Interim Receiver Fees**") shall be capped at \$50,000, and paid from the Availability pursuant to the formula referred to in Section 7(d) below. Should there not be an amount constituting Availability, or should there be an amount constituting Availability but not sufficient to pay the Accrual of Professional Fees to March 22 and Subsequent Professional Fees, same shall be deducted from the amount to be distributed by the Trustee as a dividend under the Proposal. The Interim Receiver shall remain in place pending the Creditors acceptance and the Court's approval of the Proposal, The Interim Receiver is expected to devote less professional time and associated charges upon the depositing by Jonathan Morgan of the Forfeitable Deposit, as such term is defined below.
4. Jonathan Morgan shall deposit with the Trustee **forthwith** a forfeitable amount of \$50,000 as guarantee that Newland will comply with the terms of the Proposal (the "**Forfeitable Deposit**"), including without limitation that the Net Proceeds will be in the

Trustee's trust account on or before May 3, 2013, the whole to be deposited pursuant to a mutually agreeable Escrow Agreement to be entered into by the Trustee and Jonathan Morgan forthwith in respect of same (the "Escrow Agreement").

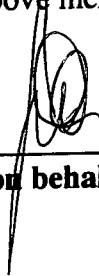
5. Newland has filed an amended proposal on April 9, 2013, corresponding to the terms of the Proposal described herein and which is to be considered by Newland's Creditors on April 19, 2013. Should the Proposal be accepted by the statutory majority of creditors at the forthcoming meeting, the Trustee shall not request court ratification of the Proposal, prior to it having in trust the entire amount of the Net Proceeds.
6. Pending the Trustee's receipt of the Net Proceeds and thereafter, Jonathon Morgan shall, not be paid any salary, remuneration, compensation, or benefit, directly or indirectly for his ongoing services to Newland.
7. **The Ad Hoc Creditors Committee is prepared to recommend to Newland's Creditors at large at the upcoming Adjourned Meeting of Creditors, and shall cast their votes at said meeting in favour of the following:**
  - (a) Granting of a delay to Newland up to the close of business on May 3, 2013 in order for Newland to realize assets and deposit the Net Proceeds with the Trustee. In the event that Net Proceeds are not received by the Trustee within the said delay the Trustee will not request ratification of the Proposal; and unless a further delay is authorized by the Creditors Committee named at the meeting of Creditors on April 19, 2013 by the Creditors to act as such under the Proposal, the Trustee shall be authorized on behalf of Newland to declare that the Proposal will not be met and accordingly to seek the retroactive bankruptcy of Newland.
  - (b) The acceptance of the Proposal.
  - (c) The sale of all remaining assets of Newland, being all of Newland's assets other than those in Sections 2(d) and 2(e) above, on a without warranty basis, at purchaser's sole risk and peril, to a company to be designated by Jonathan Morgan ("NewCo"), for one dollar upon depositing the Net Proceeds with the Trustee. The sale to NewCo will be subject to the approval of the Court. In the event that Court shall not grant its approval of the sale to NewCo Jonathan Morgan shall not have any recourse against the Trustee, the Creditors and counsel for same and he does hereby renounce to any such claim, action or demand. The sole right of Jonathan Morgan shall be the right to the return of the Forfeitable Deposit pursuant to the Escrow Agreement.
  - (d) In respect of Ongoing Operations Expenses, same shall be restricted to salaries (Moir and Yuning), rent, telecommunication, insurance, bank charges, and reasonable fees of Heenan Blaikie LLP, all of which are subject to authorization by the Interim Receiver pending the receipt of the Net Proceeds, Newland will be allowed to use a maximum ("**Maximum**") of, the

lesser of 25% proceeds of collections of receivables from date hereof and \$50,000 to pay the Ongoing Operations Expenses. The calculation of Maximum excludes any remuneration or benefit to Jonathan Morgan, his professional fees, and rental, fees and costs of implementing a settlement with Dreisbach, the Oakland storage warehouse. Should the Maximum not be required for the Ongoing Operating Expenses estimated not to exceed \$19,000, the differential between such amount and the actual amount of expenses, estimated at \$31,000, (the "**Availability**") will be utilized to pay the Accrual of Professional Fees to March 22 and Subsequent Professional Fees.

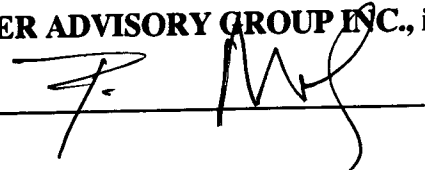
8. (e) Upon the closing of the sale of the residual assets to NewCo a mutual and reciprocal release and discharge will be executed between Jonathan Morgan and his holding corporation on the one hand and Newland and the Trustee on the other hand.

It is an essential condition of these presents and without which same would not be entered into that the Net Proceeds to be distributed by way of dividend to Creditors pursuant to the Proposal shall not be less than \$1,700,000.00 after deduction of the Accrual of Professional Fees to March 22 and Subsequent Professional Fees and before levy, failing which the present agreement shall be deemed null and void save if amended in writing by the parties.

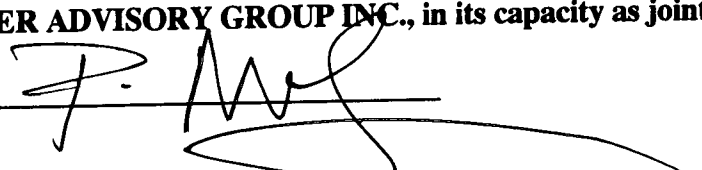
**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Understanding on the date first hereinabove mentioned.

  
\_\_\_\_\_  
**Jonathan Morgan, on behalf of a company to be incorporated**

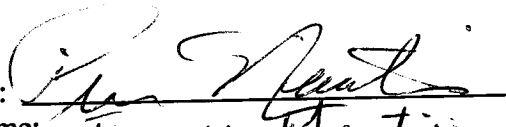
**RICHTER ADVISORY GROUP INC., in its capacity as trustee**

Per:   
\_\_\_\_\_  
Name:  
Title:


**RICHTER ADVISORY GROUP INC., in its capacity as joint interim receiver,**

Per:   
\_\_\_\_\_  
Name:  
Title:

**BLUMER, TULL, LAPOINTE & ASSOCIÉS INC., in its capacity as joint interim receiver,**

Per:   
\_\_\_\_\_  
Name: *François Martineau*  
Title: *V. President*

**NEWLAND NORTH AMERICA FOODS INC.**

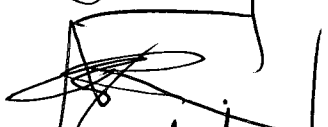
  
\_\_\_\_\_  
Per:  
Name:  
Title:



The members of the Ad Hoc Creditors' Committee intervene to these presents for the purpose of (i) confirming their consent to the terms hereof, (ii) their undertaking to recommend the acceptance of this Memorandum of Understanding to the mass of creditors, and (iii) their vote in favour of the Memorandum of Understanding and the Basket Proposal at the upcoming meeting of creditors.

Per: \_\_\_\_\_  
Name:  
Title:

[NTD: Expand to include a signature block for each member]

Ad Hoc Committee  
- Pure Trust  
US Corp  
  
Richard Coleman

**SCHEDULE "A"**

**BASKET PROPOSAL**

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