

1 Dec 2009

Re: 1107  
The applicants seek an order approving the Edmonton agreement + the whitney agreement + a vesting order with respect to the subject matter of those agreements. I am satisfied that the process of the sale of these properties was reasonable - the circumstances. The Edmonton facility was closed in Sept, 09. That fell <sup>for 4.7 million</sup> property was used for sale + 4 offers were received, a conditional + 2 unconditional. Ultimately an agreement was reached with General led by a purchase price of 4.5 million subject to adjustments. In addition, it has paid a \$500,000 deposit. The whitney facility was closed in the fall of 2008 + was used for sale - October, 2008. An extensive marketing campaign was undertaken over a 10 month period. The purchase price for the proposed sale is \$2,150,000 subject to adjustments, however the agreement is conditional. Conditions are to be satisfied or waived by Dec 10/09. A \$50,000 deposit has been paid + an additional \$50,000 is to be paid on

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

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2009

MOTION RECORD  
(RETURNABLE DECEMBER 1, 2009)

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satisfaction or waiver of certain conditions while the monitor was not directly involved in the sales process for these properties, it ~~is~~ has resumed the processes - has indicated its support.

The DIP lender + first secured creditor who holds the economic interest in the sale + who will receive the proceeds was consulted. I am satisfied that the consideration to be received from the sale of the subject properties is reasonable + that the agreements should be approved.

with respect to paragraph 5 of the Edmonton property order, such a ~~an~~ provision is appropriate in light of s 191(3) of the LTA (Alberta).

I have initialed the requested order as amended by me.

80 Pepall, J.