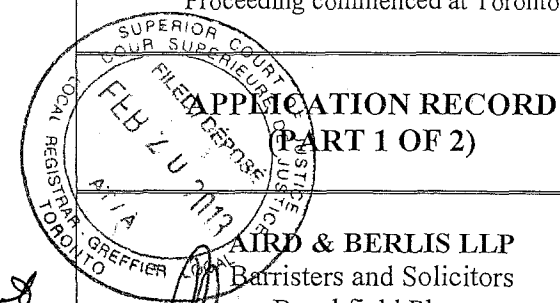


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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto



February 22/13

- R. English for applicants +
- J. Joseph Karamly for Wells Fargo.
- C. Descaurs.

- S. Friedman for the Proposed Monitor BDO
- R. Covert

Based on the record before the Court, I am satisfied that the applicants are affiliated corporations, each having assets in Ontario, and therefore are corporations to which the ~~Creditors' Companies~~ ^{Companies' Creditors} Arrangement Act applies. I am also satisfied that the corporations are insolvent for purposes of that statute.

Having reviewed, among other things, the Monitor's Pre-Filing Report including the last flows attached thereto, I am further satisfied that the proposed DIP loan arrangements are reasonable and appropriate in the circumstances.

Order to go on the attached form with supplementary written reasons to follow. *written but 5.*

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