

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 VALLE FOAM INDUSTRIES  
(1995) INC., DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM PRODUCTS LTD. Jan 27/12

Jan 27/12

In the circumstances faced by these applicants,  
I am satisfied that the proposed sale process  
is a commercially reasonable one.

One landlord, 361400 Ontario Ltd, seeks a  
variation of the proposed Conditions of Sale  
(Mortgage Report, Tab C) to require an offeror  
to undertake to assume Valle's obligations as Tenant  
under Article 6 of the Lease (Environment) and  
to require an offeror to represent its financial  
ability to assume the Tenant's obligations under  
Article 6 of the Lease. There is no evidence before me  
that the landlord has made any demand for  
indemnification under section 6.1 of the Lease.  
The landlord's motion is premature. The sale  
process will reveal what, if any, interest a  
proposed purchaser has in the lease. If there

Court File No. CV-12-9545-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at TORONTO

MOTION RECORD OF THE APPLICANTS  
(returnable January 27, 2012)

MINDEN GROSS LLP

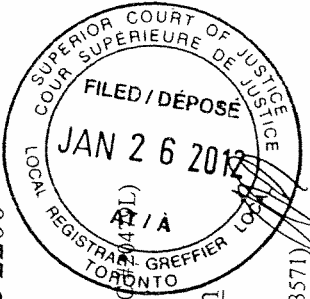
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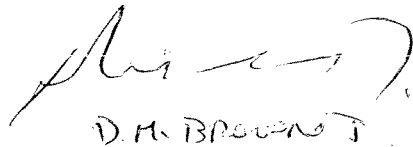
Lawyers for the Applicants



(2) of (2)

an interest, the offer will have to reject and  
the landlord. It would not be appropriate to impose,  
in advance, any term favourable to the landlord on these  
negotiations, which is about the landlord's making.  
CATA 11.3 provides rights and remedies with respect  
to the assignment of agreements and stands available,  
if required, in the present circumstances. I do not  
accept the landlord's submission that the telephonic  
fining of the sales process justifies imposing a term  
in favour of the landlord, amongst all of the applicant's  
credits.

Order to go in accordance with draft filed  
by the applicant, which I have signed.

  
D. H. BROWN