

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 SKYPOWER CORP.

Court File No.: 09-8321-00CL

27 OCT 2009

*October 27/09*  
G. Smith + C. Costa for Applicant

M. D. Naughton for KPT 6 Inc.

R. Asher for Cad. Fairview.

J. Bunting for Nordbush

J. Donaldson for HSH Newfoundland Syndicate

K. Tak for Lehman Bros.

S. Laubman for Sun Edison

M. Weintraub for Bodele Assoc.

R. S. Fabrikke for CID Group

H. D. Eadler for West LB.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding commenced at Toronto

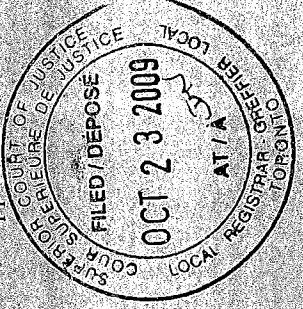
MOTION RECORD  
(returnable October 27, 2009)

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Lawyers for the Applicant



2.

Counsel to the Applicant advised that two orders were being ~~requested~~<sup>sought</sup> namely the Stay Extension to November 30/09 and the approval of the sale of the Applicant's Solar ~~sale~~ business to 1495359 Alberta LLC (the "Purchaser"), an affiliate of CIM Group, the Applicant's DIP lender. The motions were not opposed.

The portion of the motion relating to an authorization to draw ~~up to~~ an increased amount ~~under~~ the DIP facility did not proceed.

### Stay Extension

A sales process was authorized on Aug 25/09. The sales process is progressing. ~~What more~~

The third report of the Monitor provides  
a summary of the process to date. The  
Monitor has been actively involved in the  
process, in part due to the fact that  
the proposed transaction in the SOTC business  
is between the Applicant and an affiliate  
of the DIP lender.

I am satisfied having reviewed the record  
and having heard submissions that the  
Applicant continues to work ~~in good~~<sup>in good</sup>  
faith and with due diligence such  
that the extension to November 30, 2009  
is warranted. The projected cash flow did  
not contemplate an increase DIP facility.

The Court was advised that the Applicant  
has decided that the Development Expense  
of \$3.312 million scheduled for the  
week of Nov 29/09 will not be

incurred. In the event the situation 4  
changes, counsel advised that + for the  
court appointment will be made. Based  
on this representation I am satisfied that  
~~the~~ ~~it~~ there should be sufficient availability  
to the DIP facility to permit operations  
to <sup>continue</sup> ~~continue~~ during the interim period.  
Accordingly an order shall issue in  
the form presented + today. The stay  
is November 30, 2009.

Approval of Sale to Purchaser

The details of the proposed transaction relating to the  
Solar Business are set out in the  
Affidavit and the Third Report  
of the Trustee.

In addition, the Applicant <sup>filed</sup> ~~presented~~ separately a copy of the Sale Purchase Agreement which disclosed the purchase price. The Trustee also filed a 2 page summary of the various offers received for the Sale Business. This summary also contained comments of the Trustee which compared the various offers and the reasons why the Trustee recommended approval of the transaction with the Purchaser. Having reviewed the complete record and having heard submissions and upon being advised that the record <sup>in support</sup> the proposed transaction, I am satisfied that the transaction provides for a reasonable outcome for affected stakeholders in the ~~circum~~

Creditors

circumstances. I am also satisfied . . . 6  
that the parties have conducted the  
sales process in accordance with  
guidelines set forth in Proxel Bids v.  
Southern. I specifically note ~~that~~  
that, with one exception, all competing  
offers to that of the Purchaser, were  
significantly lower. With respect  
to the one offer that was not  
substantially lower, I accept the  
Minto's recommendation and that of  
the Applicant. That the offer of  
the Purchaser is preferable and should  
be accepted.

The proposed <sup>schedules to the</sup> agreement have been amended  
in non-material areas. These proposed  
changes are acceptable.

I am also satisfied that proposed  
amendments to the draft order relating  
to landlord issues and secured creditor  
issues are acceptable.

The proposed transaction <sup>with the Purchaser</sup> for the Solar  
Business ~~with~~ is approved. It goes  
without <sup>further</sup> ~~the~~ comment that nothing  
in this endorsement is intended to  
impact on any parties rights with  
respect to any sale approval  
order relating to other assets of  
the Applicant.

The Applicant has also requested that  
Sale Agreement be sealed on the basis that  
~~that~~ it contains sensitive price information,  
the disclosure of which could be

harmful to the stakeholders. Likewise, the  
 Monitor has requested that the 2 page  
 summary of offers also be sealed for  
 the same reason. I am satisfied that  
 the disclosure of this information would be  
 harmful  
 harmful to the stakeholders. Having  
 considered the "sealing test" as set  
 out in the Sierra Club decision of the  
 S.C.C., I am satisfied that these  
 two documents should be sealed  
 pending further order.  
 An order giving effect to the foregoing  
 is to be issued in the form  
 presented.

[subject to  
 edit if  
 typed]

A. J. [Signature]