

June 19, 2009

[REDACTED]

Dear Mr [REDACTED]:

**RE: [REDACTED], BC (the Company)**

As instructed by your firm, Timeline Asset Services Ltd. (TAS) provides the following appraisal of assets of the Company.

On June 17, 2009 I personally inspected the premises for the purpose of providing an Orderly Liquidation Value (OLV) appraisal of major assets and aggregate values for secondary assets of the Company.

We have not verified the actual ownership of these assets and have based this report on a listing provided by your office and from discussions with [REDACTED] (President) and [REDACTED] ([REDACTED]). A listing of assets and appraised values is attached as Appendix A and a photo catalogue on disk accompanies this report.

### Assets

The assets of the Company are located in a main production warehouse/office premise and consist of late model commercial printing equipment, pre-press equipment, binding and punching equipment, warehouse and material handling equipment, graphic production and computer equipment and office furnishings. This equipment appears to be in excellent condition and very well maintained.

### Statement of Value

Timeline Asset Services Ltd. states the following values as summarized below.

<u>Description of Assets</u>	<u>OLV</u>
-Major Assets	2,667,500
-Secondary Assets	177,500
<b>Assets Total</b>	<b>\$2,845,000</b>

### Third Party Assets

The Company leases a [REDACTED] and a [REDACTED] with [REDACTED]. These pieces have been excluded from the above valuation, but we do provide a OLV of \$500,000 and \$175,000 respectively.

### Terms of this Report

OLV represents our opinion of the gross proceeds realized from a properly advertised orderly wind down of operations. This valuation is based on a 90 to 180 day timeframe, assumes that normal maintenance would be maintained and repairs performed and does not consider cost of dismantling, disconnecting or removal.

In the orderly liquidation scenario above, we take into account the quantity, quality and condition of assets and inventory, the saleability and marketability of these products, and provide a gross dollar amount that does not consider cost of sale or removal. These values are provided in Canadian funds. Please note that the isolation of any single element as the sole basis of comparison to the whole appraisal may be inaccurate. Actual returns will strongly vary depending on method of sale, time available and market conditions.

### **Exclusions**

For purposes of this report we did not value any employee-owned assets and personal belongings. We also did not provide a valuation for WIP or raw materials.

### **Restrictions**

The contents of this report and any appendices are confidential and intended for use only by the addressee named above and other parties who are duly authorized by TAS.

### **Appraiser's Qualification Statement**

Since 1988, Michael Collins has been employed in the auction and liquidation industry and is an accredited Member in Good Standing of the Canadian Personal Property Appraisers Group (CPPAG).

Through employment with Jarvis Auctions, Timeline Sales and Timeline Asset Services, he has performed hundreds of appraisals across companies of all sizes. He has appraised a wide variety of assets and inventories (finished/unfinished goods and raw materials) across many industries including, but not limited to: mining and tunnelling; logging and forestry; metal and wood working; manufacturing and production; restaurant and food services; warehouse and material handling; rolling stock and vehicles; commercial printing and graphic design; laboratory and research testing; office and computer products; and retail outlets.

These appraisals have been prepared for insolvency and restructuring professionals, major accounting firms, banks and lending institutions, lawyers, insurance companies, government institutions, private companies and individuals across Canada.

As a commercial auctioneer and appraiser, he constantly tracks market trends in all industries and has substantial research relationships and resources at his disposal; this enables him to prepare detailed, accurate appraisal reports.

Should you have any questions concerning the above, please contact our office.

Yours truly,

Timeline Asset Services Ltd.

Michael Collins, CPPA

Encl. -Appendix A  
-Photo Disk



	Description	Orderly Liquidation Value	Model	Serial No.
	<b>Major Assets</b>			
-		1,100,000		
-		950,000		
-		65,000		
-	2000 Polar shear	22,500		
-	2006 air jogger	20,000		
-	2000 Stahl stacker	13,500		
-		175,000		
-	PMC die cutter	7,500	F	
-	scoring machine	17,500	243XL	
-	Duplo perfect binder	6,500	DB.250	
-		65,000		
-	2002 MBO folder	12,500	B120-1-20/4C	
-	RHW perforator and numbering machine	7,500	RW102	
-	Morgana MK2 auto creaser digital scoring machine	7,500	758212	
-		17,500	PCT-3	
-	2006 WSK 3-hole punch, single punch with paddy wagon (2)	13,500	EH-3C	
-	2007 Xerox colour multifunction work hub	4,500		
-	Epson Creo large format colour printer	6,500	Pro-9600	
-	2005 Seal laminator	22,500		
-		8,000		
-	1998 Clark forklift	7,500	ESMII-15-4/98	
-		16,500		
-	Atlas Copco compressor	6,000		
-	Atlas Copco compressor	4,500		
-	assorted pallet racking and shelving	4,000		
-	assorted carts and material handling equipment	4,000		
-	small mezzanine	5,000		
-	large mezzanine	22,500		
-		2,000		

	Description	Orderly Liquidation Value	Model	Serial No.
	-	1,250		
	- AB Dick offset press	1,250	360	
	- Elite folder	3,500	Profold	
	- Seal-a-Tron shrink wrap station	6,500		
	- Nela Ternes punch with dies	5,000		
	- Javelin large format cutter	2,500		
	- assorted office furnishings and office and computer equipment in production area	7,500		
	- Duster air cleaner	2,500	3000	
	- Kaeser compressor	7,500	SM 7.5T	1001
	- Atlas Copco compressor	4,500	SF2FF	
	- Iris proofer	3,500	43	
	- Canon large format printer	7,500	K90048	
	<b>Major Assets Total</b>	<b><u>2,667,500</u></b>		
	- office furnishings and offices	12,500		
	- server room and computer equipment and software	100,000		
	- secondary equipment including paper drills, binding equipment, banding machine, Rousseau parts cabinets, corner rounder, stitcher, parts and equipment not in use	65,000		
	<b>Secondary Assets Total</b>	<b><u>177,500</u></b>		