

**Motion to Compel Assumption or Rejection of Executory Contract (the “PMI Motion to Compel”).**

By the PMI Motion to Compel, Precision Medical, Inc. (“PMI”) seeks entry of an order requiring Debtor Bio-Lab, Inc. (“Bio-Lab”) to assume or reject a Purchase Agreement dated June 11, 1999 (the “Agreement”) pursuant to which PMI agreed to manufacture blow molded containers (the “Containers”) for delivery and sale to Bio-Lab.<sup>1</sup>

PMI asserts that, while it has continued to manufacture and sell Containers to Bio-Lab during the postpetition period, it has been providing more Containers to Bio-Lab than the Agreement requires. PMI also asserts that it has been providing Bio-Lab with additional services that are not contemplated by the Agreement. In light of the additional services and Containers provided to Bio-Lab, PMI claims that the pricing schedule to which PMI is bound under the Agreement is insufficient. To the extent that PMI is determined to be bound by such pricing schedule, PMI believes that Bio-Lab should be required to comply with the Agreement. PMI also maintains that Bio-Lab has had sufficient time to determine whether to assume or reject the Agreement.

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<sup>1</sup> By separate motion, PMI also seeks allowance and payment of an administrative expense claim pursuant to Bankruptcy Code section 503(b)(9) in the amount of \$149,324.79 for Containers delivered to Bio-Lab during the twenty days prior to the commencement of the Debtors’ chapter 11 cases and during the postpetition period.