

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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 INDALEX LIMITED, INDALEX HOLDINGS (B.C.) LTD., 6326765 CANADA  
INC. and NOVAR INC.

Applicants

AFFIDAVIT OF TIMOTHY R.J. STUBBS  
(Sworn July 20, 2009)

I, Timothy R.J. Stubbs, of the City of Lincolnshire, in the State of Illinois, United States of America, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President and Chief Executive Officer of Indalex Limited, Indalex Holdings (B.C.) Ltd., 6326765 Canada Inc., and Novar Inc. (collectively, the "Applicants" or the "Canadian Debtors"), and as such have knowledge of the matters deposed to in this affidavit. Where this affidavit is not based on my direct personal knowledge, it is based on information and belief and I verily believe such information to be true.
2. This affidavit is sworn in response to the Affidavit of Keith B. Carruthers and in support of the motion for approval of the sale of assets of the Applicants to SAPA Canada Inc. as assigned by SAPA Holding AB ("SAPA"). Among other things, Mr. Carruthers states that the "Liquidation Analysis" contained in the Monitor's

Seventh Report understates the value of SAPA's assets in a piecemeal liquidation scenario.

3. Mr. Carruthers has not worked for the Applicants for over ten years, having retired in 1998.
4. Mr. Carruthers has not provided any professional qualifications on which he relies in order to provide the opinions that he expresses in his affidavit.

#### Machinery and Equipment

5. In his affidavit, Mr. Carruthers provides his opinion that the Applicants' are in possession of 10 presses, each of which is worth between \$750,000-\$1,000,000. The Applicants own eight extrusion press lines. They are as follows: one in Vancouver that is more than 40 years old; one in Calgary approximately 30-40 years old; three in Mississauga between approximately 21-24 years old; and three in Montreal, which are approximately 19, 29, and 34 years old respectively. A ninth extrusion press line operated by the Applicants is approximately 9 years old, but it is leased.
6. The Applicants' U.S. affiliates have recently had offers to purchase certain of their extrusion press lines in the United States, from idled facilities. The highest offer received for any such press was \$518,000 which included a handling system related to it. Offers for other presses were significantly lower. One was sold in March 2008 on an "as is, where is" basis for \$300,000. A more recent offer has been received for \$150,000 for an extrusion press line. These are gross offers and

net proceeds would be \$25,000-\$50,000 less, as a result of sales commissions. No offers for such press lines have been received in the \$750,000 to \$1 million ranges suggested by Mr. Carruthers. Attached hereto as Exhibit "A" are copies of the offers related to these extrusion press lines.

7. If the Applicants were to be able to sell the presses located in the plants in Canada in the event of a liquidation, the cost and time required for their dismantling and removal would be substantial. I am advised by Dave McCallen, the General Manager in Mississauga, Ontario and the senior ranking officer in Canada, who deals directly with operational issues and the related costs, that 6 months-9 months would be required to remove all presses from each plant depending on the number of presses in a plant, and \$500,000-\$1,000,000 to remove each press and associated equipment.
8. The extrusion press lines are specific to the business of aluminum extrusion. From my current knowledge of the industry, I am aware that no extruders are running at full capacity in North America. It is currently estimated in the industry that aluminum extruders in North America are running at roughly 60-65% capacity. There is therefore limited demand for extrusion press lines.

#### Employees

9. Mr. Carruthers speculates that SAPA may shut down the Vancouver and Calgary plants. SAPA is assuming substantially all of the employment and other obligations of the Applicants on closing, subject to some small exceptions. Employees in Canada total approximately 750, approximately 150 of whom are in

Calgary and Vancouver, and 600 of whom are in the rest of Canada. The template asset purchase agreement circulated to bidders allowed them to make bids on Indalex's facilities on a facility-by-basis. SAPA elected to bid on all Canadian plants and assume the related obligations.

#### Environmental

10. Mr. Carruthers expresses his opinion that environmental concerns on liquidation would be minimal. Mr. Carruthers does not provide the basis on which he is able to express an opinion with respect to environmental liabilities. I am advised by Mr. McCallen that in order to understand any environmental liability concerns, it would be necessary to pull out all of the presses from all of the plants, engage professionals to undertake environmental assessments and consider what clean up would be required at each facility. With the SAPA purchase, such considerations are not necessary.

#### Impact on Customers

11. Mr. Carruthers states that the Monitor does not supply supporting details to its concern that a liquidation of the Applicants might give rise to damage claims by the Applicants' customers. It is reasonable to conclude that the forced liquidation of the single biggest supplier of aluminum extrusions in Canada may cause some disruption in the supply chain.


Summary

- 12. The removal of the Applicants from the marketplace through a forced liquidation would result would immediately eliminate 750 jobs. With the SAPA purchase any claims from suppliers, customers and employees that may arise as a direct result of liquidation are avoided and jobs are preserved, along with the long term value that this affords.
  
- 13. This Affidavit is therefore sworn in support of the Applicants' motion for approval of the sale of assets of the Applicants to SAPA.

SWORN BEFORE ME at the City of  
Wilmington, in the State of Delaware  
this 20th day of July, 2009



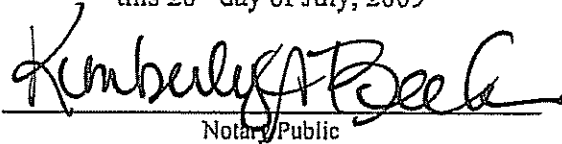
**KIMBERLY A. BECK**  
**NOTARY PUBLIC**  
**STATE OF DELAWARE**  
My Commission Expires Oct. 1, 2010



**TIMOTHY R.J. STUBBS**

This is Exhibit "A" referred to in  
the Affidavit of Timothy R.J. Stubbs

Subscribed and sworn to before me  
this 20<sup>th</sup> day of July, 2009

  
Notary Public

**KIMBERLY A. BECK**  
**NOTARY PUBLIC**  
**STATE OF DELAWARE**  
My Commission Expires Oct. 1, 2010

June 4, 2009

Tom Nentwick  
T.E. Nentwick and Associates, Inc  
Via email

Dear Tom:

On the terms and conditions set forth in this letter (the "Offer"), Futura Industries Corporation, a Delaware Corporation ("Futura"), offers to purchase from Indalex Holding Finance, Inc., (composed of Indalex, Inc. and Indalex Limited), a Debtor-in- Possession under Chapter 11 of the U.S. Bankruptcy Code ("Indalex"), that certain 2,300-ton Ube extrusion press and certain other related equipment and parts more fully described below (the "Assets"), all of which are all located at the Indalex facility in Watsonville, California (the "Watsonville Facility").

**1. Assets.** For the Purchase Price set forth in Paragraph 2, Futura will purchase those Assets commonly referred to, and herein described as, the:

- A. 1984 2,300-ton Ube press ("Press);
- B. Billet transfer system;
- C. Log in-feed system;
- D. Log furnace with shear; and
- E. Handling Equipment including Lead Out Table, Rollers, Double Pullers, Stretcher System, Saw, All Conveyors, and all cooling/quench equipment.

The Assets include any written manuals, operating instructions, drawings, components, machinery, and all spare parts or replacement parts that are associated with, or related to, the Assets; including the spare stem and spare container that allow the Press to operate as a 7" extrusion press.

**2. Purchase Price.** The Purchase Price shall be Five Hundred Eighteen Thousand Dollars (\$518,000) payable in cash, or cash equivalent, at Closing.

**3. Closing:** Closing will occur within three (3) business days after the conditions in Paragraph 4 (C) and (D) are satisfied. At Closing, Futura will wire transfer the full Purchase Price to a bank account designated by Indalex, as Debtor-in-Possession. Immediately upon receipt of funds, Indalex will deliver to Futura a properly executed Bill of Sale that transfers full ownership of the Assets to Futura, free and clear of all liens, claims and encumbrances, and Futura will assume all right, title and interest in and to the Assets.

**4. Express Conditions to Performance and to Closing.** This Offer, and any obligation of Futura to perform under this Offer, is expressly conditioned on the complete satisfaction of the following terms and conditions:

- A. A definitive Purchase Agreement, executed by Futura and Indalex on or before June 30, 2009, incorporating the terms and conditions of this Offer.
- B. Prior to Closing, Indalex will allow Futura Industries access to the Assets for ultrasonic and magnaflux testing which will be performed at the expense of Futura Industries. Within three (3) business days after Futura receives the results of the Tests, Futura may, in writing, revoke and cancel this Offer, if Futura determines, in its sole discretion, that the results of the Tests are unsatisfactory.
- C. Prior to Closing, Indalex will deliver to Futura an order from the Bankruptcy Court ("Order") that, pursuant to Section 363 (f) of the Bankruptcy Code, specifically authorizes Indalex to sell the Assets free and clear of all liens, claims and encumbrances, whether known or unknown, liquidated or unliquidated.
- D. Prior to Closing, the relocation of the spare 7" container to the Watsonville Facility.
- E. Prior to Closing, Indalex will obtain any federal, state or local orders, permits, or authorizations that are, or will be, required to allow Futura to enter the Watsonville Facility to disassemble and to remove the Assets.

**5. Asset Removal Date.** As soon as possible after Closing, on a date mutually agreed upon, Indalex will allow Futura full access to the Watsonville Facility so that Futura may disassemble, remove and take possession of the Assets (the "Asset Removal Date").

At least one day prior to Asset Removal Date, Indalex will, at its cost, have its maintenance engineer at the Watsonville Facility drain, remove and properly dispose any oil, hydraulic fluid, or other fluids, from the oil reservoir tank and the main cylinder of the Press.

To assure the efficient and safe removal of the Assets, on the Asset Removal Date, at least one Indalex employee will be present to reasonably assist Futura's employees and subcontractors while the Assets are disassembled and removed, and to identify all of the Assets purchased by Futura.

Futura will remove the Assets from the Watsonville Facility with reasonable care.

**6. Asset Maintenance and Removal.** Through the Asset Removal Date, Indalex will, in the ordinary course of its business and at its cost, safeguard, preserve and maintain the Assets in the physical condition they were in on April 21, 2009 when Futura employees Jared Bringhurst and Dale Jones visited the Watsonville Facility to inspect the Assets.

Futura will, at its sole cost, arrange for the disassembly, rigging and removal of the Assets from the Watsonville Facility and for the transportation of the Assets to Futura's Salt Lake City, Utah Facility.



Prior to the beginning of the removal work, Indalex will eliminate any regulatory, physical or other obstacles or hindrances that would impede or slow the removal process.

7. **"As Is, Where Is."** Futura hereby acknowledges it has inspected the Assets. Subject to Paragraphs 4 and 5, at Closing, Futura will purchase and will accept the Assets in their current condition, "As Is, Where Is," with no warranties from Indalex.

8. **No Assumption of Liabilities.** Except for the duty to remove the Assets with reasonable care, Futura expressly rejects any other liability, or duty, related to the Assets, or related to the Watsonville Facility, and does not by this Offer assume any prepetition or postpetition liability of Indalex. Indalex will be responsible for any and all liabilities related to the Assets and the use of those Assets by Indalex in the Watsonville Facility.

9. **Offer Expiration.** This Offer expires at 4:00 PM (MDT) on June 30, 2009, unless Futura extends it in writing.

10. **Governing Law.** This Offer shall be governed, interpreted and enforced under the laws of the State of Utah.

If this Offer is acceptable to Indalex, Futura will work in good faith with Indalex to prepare a definitive Purchase Agreement incorporating the terms and conditions of this Offer. Futura will also cooperate with Indalex to seek, and to obtain, Bankruptcy Court approval for the sale of the Assets to Futura.

Thank You. We will wait for your response.

Eric F. Sailsbery  
CFO, Futura Industries Corporation



Indalex Inc.  
75 Tri-State International  
Suite 450  
Lincolnshire, IL 60069  
847-810-3000

February 19, 2008

Futura Industries  
P.O. Box 160350  
Clearfield, UT 84016

CONTRACT FOR THE SALE OF EQUIPMENT

This agreement is made and entered into this 18<sup>th</sup> day of March 2008 by and between **Indalex Inc.** (an Illinois Corporation hereby referred to as "SELLER") and **Futura Industries.** (hereby referred to as "BUYER").

WHEREAS, SELLER desires to sell the 1800 ton UBE press, aging oven, die hoist rail, and billet transfer system located at the Watsonville, CA facility (collectively "PURCHASED EQUIPMENT"),

WHEREAS, BUYER desires to purchase the PURCHASED EQUIPMENT,

NOW; THEREFORE, the Parties agree as follows:

- 1) **PURCHASE PRICE AND PAYMENT TERMS:** The total price of the PURCHASED EQUIPMENT shall be \$300,000.00. A down payment of \$150,000.00 shall be made immediately, the remaining \$150,000.00 to be paid once all permits have been obtained by seller for the press removal; prior to any contractor beginning any work to remove the press. BUYER will pay by wire payment. Wire instructions will be provided separately by SELLER to BUYER.
- 2) **REMOVAL AND LOADING:** BUYER shall contract removal, loading and blocking of the PURCHASED EQUIPMENT into the appropriate transportation. Buyer is to coordinate with Watsonville facility.
- 3) **OTHER RESPONSIBILITIES:** The BUYER is solely responsible for transportation costs (including permits and licenses) and payment of any applicable state, local or federal sales or use taxes – or – any duties, loading at port, unloading and all other related items or costs.
- 4) **ALL EQUIPMENT:** All equipment must be removed from the SELLER's plant in a timely manner unless all parties agree upon any particular item at the time of dismantling. Buyer has already indicated that they are not interested in the billet furnace.
- 5) **"AS IS WHERE IS" SALE:** SELLER makes no representations with respect to the PURCHASED EQUIPMENT. BUYER has examined the PURCHASED EQUIPMENT as to quality, condition and usefulness and understands it is purchasing such equipment "AS IS WHERE IS", WITH NO WARRANTY WHATSOEVER INCLUDING BUT NOT LIMITED TO ANY AND ALL WARRANTIES OF FITNESS OR CONDITION, FITNESS FOR A PARTICULAR PURPOSE, AND MERCHANTABILITY, OR OTHERWISE.


6) **INDEMINIFICATION:** BUYER hereby agrees to indemnify and hold SELLER harmless for any and all costs, damages, injuries, claims, causes of action, and/or other claims (including but not limited to reasonable attorney fees) asserted by itself, any third person or entity in connection with the removal, transportation and/or subsequent use of the Equipment.

7) **TITLE:** SELLER certifies that it has good title to the PURCHASED EQUIPMENT and that it is free and clear of any liens or other encumbrances. Title will transfer when full purchase price is made to the SELLER.

8) **ENTIRE AGREEMENT:** This agreement supercedes any previous agreement and contains the entire agreement. Both Parties must agree to any changes in writing.

9) **GOVERNING LAW:** This contract shall be construed in accordance with the laws of the State of Illinois. All disputes arising under or concerning this agreement shall be settled in the State or Federal Courts located in Illinois.

Sincerely,



Wesley Ross  
Vice President, Administration  
Indalex Inc.

Acknowledged and Agreed by Buyer.



Futura Industries

3/18/08  
Date

# Topalu Corporation

Indalex Aluminum Solutions.

Attention : To whom to be concerned

Subject : Offering 2350 ton Sutton extrusion press line

We would like to propose to purchase the following equipment at USD150,000.- after inspection which had done on July 10, 2009 at Modesto, CA.

## 1. Scope of supply

- 1) 2350 ton Sutton extrusion press
- 2) Billet heater and log shear
- 3) Water quench
- 4) Air quench
- 5) Extrusion puller
- 6) Stretcher
- 7) Extrusion saw (cold saw)
- 8) Hot saw knives installed at front of extrusion press
- 9) Lead out table, run-out table, cooling table, lift over system, stretcher feed table, stretcher to saw storage table, saw storage table, saw table, saw gauge table.
- 10) Spare parts
- 11) Documentation (foundation, operation manual, maintenance manual, hydraulic scheme drawing, mechanical drawing, electric drawing, plc ladder diagram)
- 12) All other equipment related to 2350 ton Sutton extrusion press line

## 2. Purchase condition

- 1) Dismantling should be done by dismantler nominated by Topalu Corporation.
- 2) Seller should give PLC program and password to the buyer
- 3) Hydraulic oil in extrusion press tank should be removed by seller
- 4) Buyer has a right to leave unnecessary machine or parts at seller's site and seller should take care of these remained machine or parts at his cost.

# Topalu Corporation

### 3. Payment condition

- 1) After making contract, the amount should be T/T at seller's account before dismantling start.

Please consider above and let me have your reply. Also if you have any questions on above, please feel free to contact me.

Sincerely yours,



-----  
Doo H. Oh / President

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
INDALEX LIMITED et al.

Applicants

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF TIMOTHY R.J. STUBBS  
(Sworn July 20, 2009)**

**BLAKE, CASSELS & GRAYDON LLP**  
Box 25, Commerce Court West  
Toronto, Ontario M5L 1A9

**Linc Rogers** LSUC# 43562N  
Tel: (416) 863-4168

**Katherine McEachern** LSUC#: 38345M  
Tel: (416) 863-2566

**Jackie Moher** LSUC#: 53166V  
Tel: (416) 863-3174  
Fax: (416) 863-2653

Lawyers for the Applicants