

Court File No.

**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

APPLICATION RECORD

April 3, 2009

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street, Suite 2800
Box 25, Commerce Court West
Toronto, Ontario M5L 1A9

Linc Rogers LSUC No. 43562N
Tel: (416) 863-4168
Fax: (416) 863-2653

Katherine McEachern LSUC No. 38345M
Tel: (416) 863-2566
Fax: (416) 863-2653

Lawyers for the Applicants

Court File No.

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

APPLICATION RECORD

I N D E X

| Tab | Document |
|-----|---|
| 1. | Notice of Application |
| 2. | Affidavit of Timothy R.J. Stubbs sworn April 3, 2009 and the Exhibits annexed thereto |
| 3. | Consent of FTI Consulting Canada ULC to act as Monitor |

TAB 1

Court File No.

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

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on Friday April 3, 2009, at 9:30 a.m., at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: April 3, 2009

Issued by _____
Local registrar

Address of the Court Office:

330 University Avenue
Toronto, Ontario

APPLICATION

1. The Applicant will make an application for:
 - (a) an Order dispensing with service on all creditors of the Applicant with the exception of those parties listed on the Notice of Application;
 - (b) leave to bring this Application on short notice;
 - (c) an Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA") in a form to be filed with the court; and
 - (d) such further and other relief as this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**
 - (a) the Applicants are in the business of the manufacture of extruded aluminum products, and the production of the raw material aluminum inputs used in the manufacture of extruded aluminum products, for sale to customers in the United States and Canada;
 - (b) the Applicants have been negatively impacted by a decline in demand for its product as a result of the global economic downturn, and a decline in the price of aluminum, and are not in a position to support the consequent losses that are currently being suffered and will continue to be sustained without a restructuring or refinancing;
 - (c) the Applicants' business is integrated with and mutually co-dependent with the Applicants U.S. parent and affiliate companies, who have filed for similar relief in the United States under the provisions of Chapter 11 of the United States Bankruptcy Code. A parallel proceeding in Canada with respect to the Applicants will provide a coordinated and stable environment for a restructuring to take place;

- (d) the Applicants are insolvent;
- (e) the Applicants are companies to which the CCAA applies;
- (f) the Applicants require a stay of proceedings from their creditors in order to identify a going concern solution to its liquidity problems;
- (g) the provisions of the CCAA, as amended, and the equitable jurisdiction of this Court;
- (h) the grounds as more fully set out in the Affidavit of Timothy R. J. Stubbs, filed herewith;
- (i) Rules 2.03, 3.02 and 14.05(2) of the Rules of Civil Procedure; and
- (j) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:**

- (a) the Affidavit of Timothy R.J. Stubbs sworn April 3, 2009 and the exhibits annexed thereto;
- (b) the consent of FTI Consulting Canada ULC (“FTI Canada”). to act as Monitor;
- (c) the Report of FTI Canada in its capacity as proposed Monitor; and

- (d) such further and other evidence as counsel may advise and this Honourable Court may admit.

April 3, 2009

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street, Suite 2800
Box 25, Commerce Court West
Toronto, Ontario M5L 1A9

Linc Rogers LSUC No. 43562N
Tel: (416) 863-4168
Fax: (416) 863-2653

Katherine McEachern LSUC No. 38345m
Tel: (416) 863-2566
Fax: (416) 863-2653

Lawyers for the Applicants

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

Court File No.

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF APPLICATION

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street, Suite 2800
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
Fax: (416) 863-2653

Lawyers for the Applicants

TAB 2

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 April 3, 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:

Introduction

1. I am the President and Chief Executive Officer of Indalex Limited (“**Indalex Canada**”), Indalex Holdings (B.C.) Ltd. (“**Indalex BC**”), 6326765 Canada Inc. (“**632**”), and Novar Inc. (“**Novar**”) (collectively, the “**Applicants**”), 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.

Nature of Application and Overview of Relief Sought

2. This affidavit is sworn in support of the Applicants’ application for protection from their creditors under the *Companies’ Creditors Arrangement Act* (Canada)

(the “CCAA”). As a result of the pervasive decline in the global economy and the decline in the demand for extruded aluminum products, the Applicants’ business, of aluminum extrusion (a process which forms and strengthens aluminum for use by end-users), is facing serious financial challenges and the Applicants are facing a looming liquidity crisis.

3. This Application is brought in conjunction with a parallel proceeding commenced urgently, by way of a voluntary petition filed on March 20, 2009, in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) by the Applicants’ U.S. direct and indirect parents, Indalex Holdings Finance, Inc. (“**Indalex Finance**”), and Indalex Holding Corp. (“**Indalex Holding**”), and certain of their U.S. subsidiaries (collectively with Indalex Finance and Indalex Holding, “**Indalex U.S.**”) pursuant to Chapter 11 of the United States Bankruptcy Code (the “**Chapter 11 Proceedings**”).
4. The Applicants require relief under the CCAA in order to stabilize their business and seek a long term strategic solution for their business operations.
5. The relief requested includes a request for:
 - (a) immediate relief in the form of a stay of proceedings; and
 - (b) the appointment of FTI Consulting Canada ULC (“**FTI Canada**”) as Monitor of the Applicants.
6. It is the intention of the Applicants to return to Court within a short period of time to seek approval for debtor in possession financing (“**DIP Financing**”) from the

Applicants' primary secured lenders (the "DIP Lenders"), on behalf of whom JP Morgan Chase Bank N.A. ("JP Morgan") is acting as the administrative agent (in such capacity, the "DIP Administrative Agent") and to seek approval of restructuring powers for the Applicants that will enable them to obtain a going concern solution with the assistance of the Monitor.

7. In the view of the Applicants, these proceedings present the best opportunity for the Applicants to maximize value for their stakeholders and seek a viable going concern solution.

Business Overview

8. The Applicants comprise, together with Indalex U.S. and their related affiliates (collectively, the "Indalex Group"), the second largest aluminum extruder in the United States and Canada.
9. Indalex Canada is a Canadian corporation and the entity through which the Indalex Group operates its Canadian business. It is the parent company of Indalex BC, a British Columbia corporation, 632, a Canadian corporation, and Novar, an Ontario corporation, none of which are operating entities.¹
10. Indalex Canada is a direct wholly-owned subsidiary of its U.S. parent, Indalex Holding, which is in turn a wholly-owned subsidiary of Indalex Finance.

¹ Indalex BC owns the property on which Indalex Canada operates in Port Coquitlam, B.C. 632 owns the property on which Indalex Canada operates in Ontario. Novar is a dormant company with no assets or liabilities other than the guarantee of Indalex Canada's indebtedness to JP Morgan.

11. Indalex Finance is beneficially owned by Sun Capital Partners III, L.P., Sun Capital Partners, III QP, LP, Sun Capital Partners IV, LP, Sun Indalex, LLC, as well as certain management co-investors. Attached hereto as Exhibit “A” is a copy of the corporate chart.
12. Approximately 94% of the products of the Indalex Group are customized, made-to-order aluminum extrusions. Aluminum is a durable, light weight metal and can be strengthened through the extrusion process, which involves pushing aluminum through a die and forming it into strips, which can then be customized for a wide array of end-user markets.
13. Indalex Canada produces a portion of the raw material used in the extrusion process, called aluminum extrusion billets, through its casting division, Indalloy, located in Toronto. It also processes the raw extrusion billets into extruded product at its Canadian extrusion plants, for sale to end-users.
14. The end-user markets include transportation, residential building and construction, electrical and cable, commercial building and construction, consumer durables, machinery, and equipment. In addition, the Indalex Group offers a wide array of services, including fabrication, painting, and anodizing.
15. The Indalex Group has in excess of 3,600 customers worldwide, including a broad spectrum of national, regional, and local accounts. In 2008, Indalex Canada accounted for approximately 32% of the Indalex Group’s total sales to third parties.

16. Indalex Canada supplies to three major groups of customers:
- (a) finished extruded product to Canadian customers directly (approximately 70% of Indalex Canada's sales in 2008);
 - (b) finished extruded product to U.S. customers directly (approximately 30% of Indalex Canada's sales in 2008); and
 - (c) billets to Indalex U.S. for use in its extrusion processing. In 2008, Indalex Canada supplied Indalex U.S. with 20% of its aluminum extrusion billet requirements.

Operational Facilities

17. The Indalex Group operates eleven extrusion facilities and billet cast houses throughout the United States, Canada and China. The United States operations are run primarily out of six facilities, with headquarters located in Lincolnshire, Illinois.
18. Six of the U.S. facilities are operational. The Indalex Group also has five facilities in the U.S. which are not currently operating, due to low demand.
19. The Canadian operations are run out of five Canadian facilities, located in Port Coquitlam, B.C.², Calgary, Alberta³, Montreal, Quebec⁴, Toronto, Ontario⁵, and

² 1765 Coast Meridian Road, Port Coquitlam, B.C.

³ 3016 58th Avenue, S.E., Calgary, AB

⁴ 325 Rue Avro, Point Claire, Quebec

⁵ 7 Alloy Court, Toronto, ON

Mississauga, Ontario⁶, with its headquarters located at 5675 Kennedy Road, Mississauga, Ontario. All of these facilities are currently operating.

20. Indalex Canada's business is not an independent, stand alone operation. It is fully integrated with, and mutually interdependent with, the larger North American enterprise, sharing financial resources, management services, infrastructure, suppliers and customers. This integration allows Indalex Canada to access greater operational support and allows its customers to gain logistics benefits and dual sourcing capability. As noted above, Indalex U.S. is heavily dependent, in turn, on the supply of raw material inventory from Indalex Canada.

Current Status

21. The Applicants' profitability depends, in large part, on the varying economic and other conditions of the end-user markets they serve. All of the end-user markets the Applicants serve are subject to volatility. The demand for the Applicants' products has declined by approximately 35% since 2006 due to economic conditions which have negatively impacted this demand, the decline in the U.S. housing market, a decline in purchasing and consumer confidence, and an increase in fuel and energy prices and other input prices. This impact has been compounded by a nearly 50% decline in aluminum prices since July of 2008.
22. The lower demand has negatively impacted Indalex Canada's shipment volume and operating profitability. The decline in the price of aluminum has subjected the Indalex Group to margin calls on metal hedging contracts and has restricted

⁶ 5675 Kennedy Road, Mississauga, ON

the ability of Indalex Canada to borrow cash to fund operations through the down-cycle.

23. As a result of difficulties in connection with a decline in demand for its products arising from the pervasive economic crisis impacting Indalex Canada's key customers and a decline in the price of aluminum, Indalex Canada is running out of cash and is facing an immediate liquidity crisis. The Applicants are insolvent.
24. Suppliers have stopped supplying on credit, including Indalex Canada's main supplier of aluminum, Alcan. Certain suppliers have discontinued supply altogether. Indalex Canada's other main supplier of aluminum, Alcoa Inc., commenced legal proceedings against Indalex U.S. in the State of Illinois without notice to collect amounts outstanding and owing to it by Indalex U.S. On February 24, 2009, Alcoa obtained judgment without notice against Indalex U.S. in the amount of approximately U.S.\$6 million. Alcoa then executed on the judgment restricting Indalex U.S.'s ability to make disbursements, including to critical suppliers. This action was a factor precipitating the need to commence the Chapter 11 Proceedings on an emergency basis.
25. Alcoa was also a supplier to Indalex Canada. On March 27, 2009, it issued a demand letter against Indalex Canada for US\$2.6 million alleged to be owing for payment arrears and threatened to commence legal action in Ontario.
26. On March 27, 2009, the provider of Indalex Canada's Group Insurance Policies, Great West Life Assurance Company, issued a termination notice, resulting from

alleged premium arrears in the approximate amount of US\$720,000. The termination notice is effective as of April 6, 2009.

27. The Applicants are also in default to their Revolving Lenders (as defined below), for whom JP Morgan is the administrative agent (in such capacity, the “**Administrative Agent**”). The Applicants have entered into an agreement entitled Amendment No. 2, Waiver and Agreement (the “**Forbearance Agreement**”) with Indalex U.S., the Revolving Lenders, the Term Lender and the Administrative Agent as of March 6, 2009, pursuant to which the Revolving Lenders have agreed to temporarily waive certain conditions to funding set forth in the Amended Credit Agreement (as defined below) and which permits continued use of the Revolving Credit Facility (as defined below) on certain conditions.
28. In summary, the Applicants need relief under the CCAA to prevent any further precipitous creditor action and to give the Applicants the opportunity to secure additional financing and identify a going concern solution. In addition, the integrated nature of the business of the Applicants with Indalex U.S., and the integrated nature of their financing, discussed below, now make the commencement of these proceedings in Canada necessary in order to maintain coordination and stability.
29. With the assistance of FTI Canada, the proposed Monitor, and in coordination with the Chapter 11 Proceedings, the Applicants intend to commence a process to identify a going concern solution, with the goal of preserving the business,

protecting and preserving the livelihood of employees, and maximizing stakeholder value (the “**Restructuring Process**”).

30. It is intended that the Indalex Group will continue operations as a going concern during these CCAA proceedings.

Financial Position

31. Copies of Indalex Canada’s interim internal financial statements for the month ended February 2009 and December 2008 are attached hereto as Exhibit “**B**”.

Assets

32. The Company’s assets, as disclosed in its interim internal financial statements as of February 28, 2009, consist of the following:

| | |
|------------------------------------|---------------------------------|
| Current Assets:..... | (Canadian dollars in thousands) |
| Cash and cash equivalents..... | \$ 404 |
| Receivable from affiliates | \$ 52,361 |
| Receivables, net..... | \$ 25,013 |
| Inventories, net..... | \$ 10,324 |
| Prepays/Other current assets | \$ 2,577 |
| Total current assets..... | <u>\$ 90,679</u> |
| Capital | <u>\$ 98,086</u> |
| Total assets | <u>\$188,765</u> |

The foregoing figures represent book value of the Company’s assets.

33. As noted above, the Applicants own the real property on which their facilities are located, at 5675 Kennedy Road, Mississauga, Ontario, 7 Alloy Court, Toronto,

Ontario, 3016 58th Avenue S.E., Calgary, Alberta, 1765 Coast Meridian Road, Port Coquitlam, B.C., and 325 Rue Avro, Point Claire, Quebec.

34. Indalex Canada is the registered owner of some of the intellectual property relating to the manufacturing processes used by the Indalex Group.

Secured Debt of the Company

35. As of December, 2008, the Indalex Group, collectively, had existing secured indebtedness in the approximate aggregate amount of \$305.8 million pursuant primarily to a certain Revolving Credit Facility, an Initial Term Loan, an Incremental Term Loan, and Senior Secured Notes, discussed below.

Revolving Credit Facility

36. Credit has been provided by certain secured lenders (the “**Revolving Lenders**”) pursuant to an Amended and Restated Credit Agreement dated May 21, 2008, among the Applicants, Indalex U.S., the Revolving Lenders, Sun Indalex, LLC (the “**Term Lender**”) and the Administrative Agent (the “**Amended Credit Agreement**”). The Amended Credit Agreement amended certain terms to an original credit agreement dated as of February 2, 2006.
37. Pursuant to the Amended Credit Agreement, Indalex Holding had access to a U.S. \$200 million revolving credit facility (the “**Revolving Credit Facility**”). Up to \$80 million of the Revolving Credit Facility was available to Indalex Canada pursuant to a revolving credit sub-facility (the “**Sub-Facility**”).

38. The funds available to Indalex Canada under the Sub-Facility could not exceed a borrowing base comprised of eligible accounts receivable, inventory, machinery and equipment and real property of Indalex Canada and the other Applicants, subject to an aggregate sub-cap of \$80 million and subject to a further aggregate total cap, when taken together with the amounts borrowed by Indalex U.S., of \$200 million.
39. As of March 31, 2009, the total balance due on the Revolving Credit Facility was approximately U.S.\$60 million. The amount owing by the Applicants under the Sub-Facility, as of March 31, 2009 is approximately CDN\$26,700,000.
40. The obligations of Indalex Canada under the Amended Credit Agreement are guaranteed by Indalex Holding (one of the US debtors), and its U.S. subsidiaries, as well as the three other Canadian entities, Indalex BC, 632, and Novar.
41. Prior to entering into the Forbearance Agreement, the obligations of Indalex Finance (the US borrower) under the Amended Credit Agreement were guaranteed by Indalex Holding and any U.S. subsidiary of Indalex Holding, only.
42. Indalex Canada's obligations under the Amended Credit Agreement are secured in Canada by a Security Agreement dated February 2, 2006 (the "Security Agreement"), two Deeds of Hypothec dated February 2, 2006, together with certain other debentures, pledge agreements, and security documents securing the personal and real property of the Applicants⁷. The Security Agreement and one of

⁷ including a Canadian Trade Mark Security Agreement, a collateral bond issued in favour of JP Morgan, a Pledge Agreement, a Debenture in the amount of \$200,000,000 in respect of 7 Alloy Court, Toronto,

the Deeds of Hypothec were executed by 6461948 Canada Inc. and Indalex Canada; the other Deed was executed by 6461948 Canada Inc. only. On February 2, 2006, 6461948 Canada Inc. and Indalex Canada amalgamated (as described below). Attached hereto as Exhibit “C” is a copy of the Security Agreement. Attached hereto as Exhibit “D” are copies of the Deeds of Hypothec.

43. The security provided by the Applicants is registered under the relevant personal property security registries in Ontario, Quebec, British Columbia, and Alberta. Attached hereto as Exhibit “E” is a copy of a summary of PPSA registrations against the Applicants for Ontario, British Columbia, Alberta, and Quebec.

March 6, 2009 Forbearance Agreement

44. As noted above, on March 6, 2009, Indalex U.S. and the Applicants entered into the Forbearance Agreement with the Administrative Agent, the Term Lender and the Revolving Lenders.
45. The Forbearance Agreement, as amended, as it applies to the Applicants, provides a temporary waiver of certain existing events of default under the Amended Credit Agreement that terminates and expires on April 3, 2009, or on the

Ontario dated February 2, 2006, a General Assignment of Leases and Rents re 7 Alloy Court, Toronto, Ontario, a trustee and beneficial owner agreement re 7 Alloy Court, Toronto, Ontario, a Debenture in the amount of \$200,000,000 in respect of 5675 Kennedy Road, Mississauga, Ontario dated February 2, 2006, a general assignment of leases and rents re 5675 Kennedy Road, Mississauga, Ontario, a trustee and beneficial owner agreement re 5675 Kennedy Road, Mississauga, Ontario, a Debenture in the amount of \$200,000,000 re 3016 58th Avenue S.E. Calgary, Alberta, dated February 2, 2006, an assignment of rents re 3016 58th Avenue S.E., Calgary, Alberta, a Mortgage and debenture in the amount of \$200,000,000 re 1765 Coast Meridian Road, Port Coquitlam, B.C. dated February 2, 2006, a general assignment of rents re 1765 Coast Meridian Road, Port Coquitlam, B.C. and a beneficiary authorization and charge agreement re 1765 Coast Meridian Road, Port Coquitlam, B.C.

occurrence of any other default under the Amended Credit Agreement, or on the acceleration or enforcement of the Senior Secured Notes (described below).

46. Under the Forbearance Agreement, the aggregate revolving commitments under the Revolving Credit Facility have been reduced from \$200 million to \$150 million.
47. In consideration for the forbearance arrangements set out in the Forbearance Agreement, the provision of additional borrowings in the amount of U.S.\$1.5 million for Indalex Canada and U.S.\$4.5 million for Indalex U.S., and the continued provision of credit pursuant to the Amended Credit Agreement which has enabled the Applicants to continue in business and honour trade obligations and obligations to employees to date, the Applicants agreed under the Forbearance Agreement to guarantee the obligations of Indalex U.S. under the Amended Credit Agreement (the “**Pre-Filing Guarantee**”). Attached hereto as Exhibit “F” is a copy of the Forbearance Agreement.
48. The Pre-Filing Guarantee was agreed to by Indalex Canada in order to obtain continued support from the Revolving Lenders for Indalex Canada. Without the provision of this support, Indalex Canada was at risk of losing its operating financing and its ability to continue as a going concern.

Term Loans

49. The Amended Credit Agreement provided for, among other things, the ability of Indalex Holding to borrow \$15 million U.S. from Sun Indalex, LLC (the “**Term**

Lender”). the Amended Credit Agreement was then further amended on November 25, 2008 to provide for a further US\$15 million (collectively, the “**Term Loans**”).

50. None of the Applicants are borrowers under the Term Loans and neither of the Term Loans are guaranteed by the Applicants.

Secured Notes

51. On February 2, 2006, Indalex Holding issued U.S. \$270 million of 11.5% second priority senior secured notes (the “**Senior Secured Notes**”), which mature in 2014, and are guaranteed by the U.S. subsidiaries. The Senior Secured Notes are not guaranteed by the Applicants.

Other Secured Creditors

52. The Applicants have the following secured creditors who have registered security against some or all of them:
- (a) Woodbine Truck Centre Ltd. o/a Woodbine Indealease;
 - (b) NRB Inc.;
 - (c) GE Canada Leasing Services Company;
 - (d) Citicorp Vendor Finance, Ltd.;
 - (e) VFS Canada Inc.;
 - (f) Mr. Forklift;

- (g) De Lage Landen Financial Services Canada Inc.;
- (h) Penske Truck Leasing Canada Inc.;
- (i) DCFS Canada Corp.;
- (j) CIT Financial Ltd.;
- (k) Liftcapital Corporation;
- (l) PHH Vehicle Management Services Inc.; and
- (m) Ikon Office Solutions Inc.

These registrations all appear to relate to specific equipment or vehicles.

Unsecured Liabilities

- 53. Indalex Canada has approximately U.S.\$19.8 million of trade liabilities as of March 23, 2009. Approximately U.S. \$9.5 million of this is overdue. As noted above, most trade suppliers are no longer providing credit terms to Indalex Canada and some have suspended supply.
- 54. Indalex Canada also has an intercompany account with Indalex Inc., a Delaware sister company of Indalex Canada for the supply of goods. As of March 23, 2009, Indalex Canada owed Indalex Inc. the amount of approximately U.S. \$5.3 million and Indalex Inc. owed Indalex Canada for the supply of goods in the amount of approximately U.S. \$39 million.

55. Indalex Canada is also indebted to Indalex Holding pursuant to an amended and restated promissory note issued May 21, 2008, in the amount of \$40,000,000 (the “**Amended and Restated Promissory Note**”).
56. The Amended and Restated Promissory Note relates to financing used for the acquisition of Indalex Canada in 2006. Indalex Canada was acquired by a numbered company, 6461948 Canada Inc., which borrowed funds from Indalex Holding in the amount of approximately \$182 million to finance the purchase. Subsequent to the acquisition, 6461948 Canada Inc. amalgamated with Indalex Canada, and the liability was thereby assumed by Indalex Canada. The original indebtedness has been reduced from time to time with payments to Indalex Holding. The Amended and Restated Promissory Note was amended and restated in 2008 to reflect the remaining balance owing of \$40,000,000. Attached hereto as Exhibit “G” is a copy of the Amended and Restated Promissory Note.

Employees of the Business

57. Indalex Canada has approximately 767 employees, of which 646 are hourly and 121 are salaried. 505 of these employees are currently active. Hourly employees are represented by six different locals of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the “U.S.W.”) as follows:
- (a) Local 6034: Collective Agreement dated May 1, 2007 to April 20, 2011;

- (b) Local 9042: Collective Agreement dated January 12, 2008 to January 11, 2011;
 - (c) Local 13571-20: Collective Agreement dated December 1, 2005, expired November 30, 2008;
 - (d) Local 7785: Collective Agreement extended to and expired on December 22, 2008;
 - (e) Local 2952: Collective Agreement dated October 1, 2006 to September 30, 2011; and
 - (f) Local 7785-01: Draft Collective Agreement dated July 7, 2008.
58. Indalex Canada's payroll in Canada is approximately \$469,514 per week for hourly employees, \$389,831 bi-weekly for salaried employees and \$19,792 monthly for benefits under the Supplementary Plan (as defined below). Payroll is administered through payroll services provided by ADP. It will have severance and termination obligations to employees in the event that the Applicants are unsuccessful in respect of its Restructuring Process and it is necessary to liquidate the assets of the Applicants for the benefit of creditors.

Pension Obligations

59. Indalex Canada is the sponsor and administrator of two registered pension plans and one non-registered supplemental pension plan. It also contributes to one

multi-employer pension plan and maintains a group registered retirement savings plan and a deferred profit sharing plan.

Registered Pension Plans

60. Indalex Canada is the sponsor and administrator of the following two registered pension plans:
- (a) The Retirement Plan for Salaried Employees of Indalex Canada and Associated Companies, registered with the Financial Services Commission of Ontario (“FSCO”) and the Canada Revenue Agency (“CRA”) under Registration No. 0533646 (the “**Salaried Plan**”); and
 - (b) The Retirement Plan for the Executive Employees of Indalex Canada and Associated Companies, registered with FSCO and CRA under Registration No. 0455626 (the “**Executive Plan**”).
61. The Salaried Plan, which consists of defined benefit and defined contribution components, was fully terminated effective December 31, 2006 and thus no current employees will receive benefits under the Salaried Plan. Indalex Canada was continuing to fund the wind-up deficiency under the Salaried Plan which, as at December 31, 2007, was \$2,252,900. There are currently 34 retirees receiving benefits under the Salaried Plan.
62. The Executive Plan is a defined benefit pension plan which was closed to new members effective September 1, 2005. As at January 1, 2008, the Executive Plan had a funding deficiency on an ongoing basis of \$2,535,100; a funding deficiency

on a solvency basis of \$1,082,800; and a funding deficiency on a wind-up basis of \$2,996,400. There is only one current employee on long-term disability entitled to receive benefits under the Executive Plan. There are currently 14 retirees receiving benefits under the Executive Plan.

Supplemental Pension Plan

63. Indalex Canada also maintains the Supplementary Retirement Plan for Executive Employees of Indalex Canada and Associated Companies (the “**Supplementary Plan**”), which is an unfunded and non-registered supplemental pension plan for certain members of the Executive Plan. The Supplementary Plan is also closed to new members. Benefits under the Supplementary Plan are paid out of the general revenues of the applicable executive’s employer. As at December 31, 2008, the liabilities under the Supplementary Plan were \$2,966,244, based on the present value of the projected benefit payments.

Multi-Employer Pension Plan

64. In respect of its unionized employees, the Indalex Group contributes to the Canada-Wide Industrial Pension Plan (“**CWIPP**”), which is a multi-employer registered pension plan. During 2008, the Indalex Group contributed approximately \$1,121,516 to CWIPP. Indalex Canada is current on all payments to the CWIPP.

Group Registered Retirement Savings Plan and Deferred Profit Sharing Plan

65. Indalex Canada maintains a group registered retirement savings plan (“GRRSP”) for its union employees at the Port Coquitlam facility and a deferred profit sharing plan (“DPSP”) for its non-union employees. For 2008, employer contributions to the GRRSP were \$128,107 and employer contributions to the DPSP were \$439,970. Indalex Canada is current on all contributions to the GRRSP and DPSP.

Priority Statutory Liabilities

66. The Applicants have maintained their obligations for payroll, source deductions, current pension liabilities, and GST, and are not in arrears in respect of these items.

Payments

67. A projected cash flow for the Applicants has been prepared for the purposes of these proceedings, from the week ending April 10 through the week ending May 1, 2009 (the “Projected Cash Flow”). A copy of the Projected Cash Flow is attached hereto as Exhibit “H”. During the period of the CCAA process, the Applicants intend to make current payments as set out in the draft Initial Order and Projected Cash Flow.

Financing During the Process

68. On March 23, 2009, Indalex US sought and obtained, with the consent of the Revolving Lenders, approval from the US Bankruptcy Court of an Interim Order Authorizing the Use of Pre-petition Lenders’ Cash Collateral (the “Cash

Collateral Order”). The Cash Collateral Order permits Indalex US to operate in reliance on its existing cash receipts, in accordance with a budget negotiated and settled with the Revolving Lenders. Attached hereto as Exhibit “I” is a copy of the Cash Collateral Order.

69. The Indalex Group and the Revolving Lenders have been working diligently since prior to the Chapter 11 filing to negotiate the terms on which DIP Financing will be provided to the Indalex Group to finance its operations through the U.S. proceedings and these proceedings. The DIP Financing negotiations have not been finalized, but all parties continue to work diligently towards finalizing matters expeditiously. In the meantime, the Applicants have requested a further extension of the Forbearance Agreement so that the Applicants will be able to continue to borrow under their existing facilities. It is anticipated the extension of the Forbearance Agreement will be provided in advance of the issuance of the Initial Order. As a condition of and in consideration for the forbearance, the Applicants have agreed to provide that the Revolving Lenders are unaffected by the stay of proceedings under the Initial Order, pending a return to court to seek approval of the proposed DIP Financing.
70. Once matters have stabilized, and the DIP Financing has been negotiated, the Applicants anticipate returning to Court next week to seek the approval of the DIP Financing. Indalex US similarly anticipates seeking approval of DIP Financing in respect of its operations.

Cash Management System

71. The Applicants currently have in place a cash management system to facilitate the flow of receivables and disbursements in connection with the Revolving Credit Facility. Indalex Canada is a party to a Blocked Accounts Agreement dated as of May 31, 2006 with JP Morgan and Royal Bank of Canada (“RBC”), which provides for payment of all receivables into a “lock-box” maintained by RBC. At the end of each business day, cash in the lock-box is remitted to collection accounts maintained by JP Morgan. The cash is then re-advanced to the Applicants in accordance with the availability provided for under the Revolving Credit Facility. It is contemplated that this cash management system will continue to remain in place until the DIP Financing negotiations are complete.

The Monitor

72. FTI Consulting, Inc. (“FTI U.S.”) was retained by Indalex U.S. on or about February 20, 2009, to assist it with identifying strategies to deal with its liquidity crisis. FTI Canada commenced providing assistance to Indalex Canada during the week commencing March 9, 2009. Subject to obtaining approval of the U.S. Bankruptcy Court, Keith Cooper of FTI U.S. has been appointed by Indalex U.S. as Chief Restructuring Officer of Indalex U.S., and will continue to provide financial and strategic advice to Indalex U.S. subject to approval by the U.S. Court.
73. FTI Canada has agreed to act as Monitor in these proceedings. Due to their familiarity with the operational and financial aspects of the Indalex Group business, FTI Canada is well placed to act as Monitor. I understand that while the

Monitor is able to provide advice and assistance to the Applicants, FTI Canada, once appointed, is an independent officer of, is answerable to, and takes direction from, this Court, and not from the Indalex Group.

Directors and Officers

74. In order to continue to carry on business during these proceedings, the Applicants require its directors and officers (together with the Company's former directors and officers, the "Directors") to remain committed. Although the Applicants intend to comply with applicable laws with respect to matters affecting it, including, without limitation, the payment of wages, employee source deductions, vacation pay, GST, provincial sales tax and regulatory deemed trust requirements, the failure to successfully complete a Restructuring Process may result in significant personal liabilities for Directors.
75. As such, the Applicants intend to indemnify the Directors for such potential liabilities, and request a charge (the "Directors' Charge") in the amount of \$3.3 million to indemnify the Directors in respect of any such liabilities as they may incur in these proceedings.

Administration Charge

76. In order to protect the fees and expenses of the Monitor, counsel to the Monitor, and counsel to the Applicants, the Applicants seek a charge in favour of these professionals to secure payments of their reasonable fees and disbursements incurred both prior to filing and after (the "Administration Charge") in the

amount of \$500,000. It is requested that the Administration Charge have first priority against the property of the Company.

Conclusion

77. The Applicants are insolvent and are facing an immediate financial crisis which jeopardizes their ability to continue as a going concern enterprise. The Initial Order sought will provide an immediate stay and an opportunity for the Applicants to pursue the Restructuring Process in concert with proceedings in the United States that will hopefully preserve the business for the benefit of all stakeholders. The Applicants intend to return to Court prior to the expiry of the initial stay of proceedings to seek approval of DIP Financing, once these negotiations have been completed.

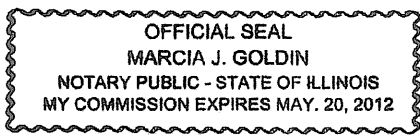
78. This Affidavit is therefore made in support of the Applicants' application for an Order under the CCAA and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Lincolnshire, in the State of Illinois)
this 3rd day of April, 2009)

Marcia J. Goldin)

[Handwritten Signature]

TIMOTHY R.J. STUBBS

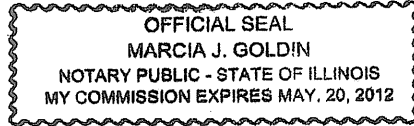


This is Exhibit "A" referred to in
the Affidavit of Timothy R.J. Stubbs

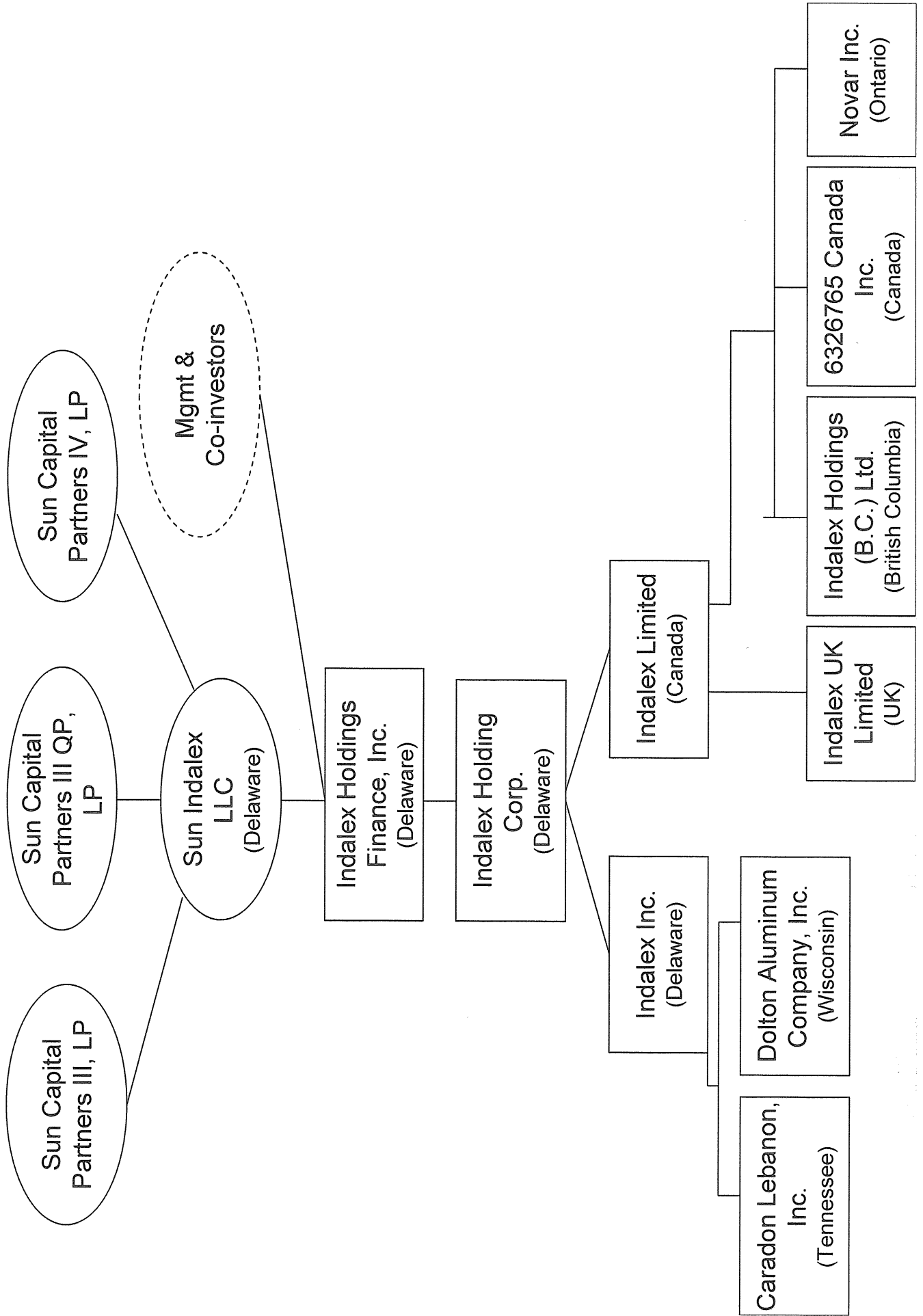
Subscribed and sworn to before me
this 3rd day of April, 2009

Marcia Goldin

Notary Public



Indalex Structure



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

Subscribed and sworn to before me
this *3rd* day of April, 2009

Marcia Goldin

Notary Public

OFFICIAL SEAL
MARCIA J. GOLDIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES MAY. 20, 2012

INDALEX LTD, A DIVISION OF INDALEX HOLDING CORP
BALANCE SHEET (unaudited)
Periods ended Feb 2009 and December 31, 2008
(in thousands Canadian dollars)

| | <u>February 09</u> | <u>December 31, 2008</u> |
|--|--------------------|--------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 404 | \$ 549 |
| Accounts receivable, net | 25,013 | 26,688 |
| Receivable from affiliates | 52,361 | 42,170 |
| Inventories | 10,324 | 16,786 |
| Prepaid expenses and other current assets | 2,514 | 1,975 |
| Deferred income tax | 63 | 63 |
| Total current assets | 90,679 | 88,231 |
| Property, plant, and equipment, net | 67,374 | 68,790 |
| Goodwill | 5,808 | 5,808 |
| Other intangibles, net | 23,640 | 24,162 |
| Deferred financing costs | 735 | 798 |
| Other assets | 529 | 547 |
| Total assets | \$ 188,765 | \$ 188,336 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 20,184 | \$ 21,898 |
| Payable to affiliates | 9,979 | 5,453 |
| Income taxes payable | 7 | 153 |
| Accrued expenses and other current liabilities | 5,634 | 5,314 |
| Capital lease obligation | 1,027 | 1,015 |
| Checks in excess of bank balance | 284 | - |
| Revolver borrowings | 28,500 | 28,500 |
| Total current liabilities | 65,615 | 62,333 |
| Other liabilities | 5,992 | 5,806 |
| Capital lease obligation | 661 | 837 |
| Notes payable to affiliates | 40,000 | 40,000 |
| Deferred income taxes | 10,833 | 10,833 |
| Total liabilities | 123,101 | 119,809 |
| Stockholder's equity: | | |
| Additional paid-in capital | 100,478 | 100,478 |
| Retained earnings/(deficit) | (34,132) | (31,269) |
| Accumulated other comprehensive income | (682) | (682) |
| Total stockholder's equity | 65,664 | 68,527 |
| Total liabilities and stockholder's equity | \$ 188,765 | \$ 188,336 |

INDALEX LTD, A DIVISION OF INDALEX HOLDING CORP
STATEMENTS OF INCOME
Feb 2009
(in thousands Canadian dollars)

| | Quarter to date | | Year-to-Date | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | <u>Feb</u> <u>2009</u> | <u>Feb</u> <u>2008</u> | <u>Feb</u> <u>2009</u> | <u>Feb</u> <u>2008</u> |
| Net Sales | \$ 43,497 | \$ 66,388 | \$ 43,497 | \$ 66,388 |
| Costs and Expenses: | | | | |
| Cost of sales | 45,034 | 64,766 | 45,034 | 64,766 |
| Selling, general, and administrative | 1,527 | 1,803 | 1,527 | 1,803 |
| Management fees to affiliates | - | - | - | - |
| Amortization of intangible assets | 522 | 668 | 522 | 668 |
| Other (income) expense | (1,370) | (589) | (1,370) | (589) |
| Total costs and expenses | <u>45,713</u> | <u>66,648</u> | <u>45,713</u> | <u>66,648</u> |
| Income from operations | (2,216) | (260) | (2,216) | (260) |
| Other income (expense): | | | | |
| Interest to affiliates, net | (767) | (908) | (767) | (908) |
| External interest expense, net | 184 | (84) | 184 | (84) |
| Deferred financing costs | (64) | (64) | (64) | (64) |
| Income from equity method investment | - | - | - | - |
| (Loss) from sale of equity method investment | - | - | - | - |
| Income before income taxes | <u>(2,863)</u> | <u>(1,316)</u> | <u>(2,863)</u> | <u>(1,316)</u> |
| Income tax (benefit) provision | <u>-</u> | <u>(253)</u> | <u>-</u> | <u>(253)</u> |
| Net income | <u>\$ (2,863)</u> | <u>\$ (1,063)</u> | <u>\$ (2,863)</u> | <u>\$ (1,063)</u> |

INDALEX LTD, A DIVISION OF INDALEX HOLDING CORP
STATEMENTS OF CASH FLOWS
February 2009
(in thousands Canadian dollars)

| | Quarter to date | | Year-to-date | |
|---|-----------------|-------------------|-----------------|-----------------|
| | Feb 2009 | Feb 2008 | Feb 2009 | Feb 2008 |
| Cash flows from operating activities | | | | |
| Net income (loss) | \$ (2,863) | \$ (1,311) | \$ (2,863) | \$ (1,063) |
| Adjustments to reconcile net income to net cash from operating activities | | | | |
| Depreciation | 1,779 | 960 | 1,779 | 1,923 |
| Amortization of intangibles | 522 | 334 | 522 | 668 |
| Amortization of deferred financing costs | 64 | 31 | 64 | 64 |
| Amortization of bond discount | - | - | - | - |
| (Gain) loss on disposal of assets | (5) | - | (5) | (48) |
| Loss on sale of equity method investment | - | - | - | - |
| Dividend satisfying affiliated obligation | - | - | - | - |
| Other | - | - | - | 1 |
| Undistributed earnings of equity method investee | - | - | - | - |
| Stock-based compensation | - | - | - | - |
| Deferred income taxes | - | (146) | - | (253) |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable | 1,220 | (2,329) | 1,220 | (7,026) |
| Receivable from affiliates | (10,191) | 4,609 | (10,191) | (1,690) |
| Inventories | 6,462 | 145 | 6,462 | 664 |
| Prepays and other assets | (521) | (999) | (521) | (1,574) |
| Income taxes | (146) | - | (146) | - |
| Accounts payable | (1,714) | (4,316) | (1,714) | 218 |
| Outstanding checks | 284 | 3,855 | 284 | 3,565 |
| Accrued expenses and other liabilities | 960 | (1,710) | 960 | (649) |
| Payable to affiliates | 4,526 | (448) | 4,526 | 4,776 |
| Net cash from operating activities | 377 | (1,325) | 377 | (424) |
| Cash flows from investing activities | | | | |
| Capital expenditures | (363) | (548) | (363) | (944) |
| Proceeds from sales of fixed assets | 5 | - | 5 | 48 |
| Proceeds from sale of equity method investment | - | - | - | - |
| Net cash from (used in) investing activities | \$ (358) | \$ (548) | \$ (358) | \$ (896) |
| Cash flows from financing activities | | | | |
| Dividends and distributions | \$ - | \$ - | \$ - | \$ - |
| Payments on capital lease obligation | (164) | (76) | (164) | (154) |
| Revolver borrowings (repayments) | - | 750 | - | 750 |
| Collections (payments) on notes with affiliates | - | - | - | - |
| Net cash from financing activities | (164) | 674 | (164) | 596 |
| Effect of changes in foreign exchange rates on cash | - | - | - | - |
| Net Increase (decrease) in cash and cash equivalents | \$ (145) | \$ (1,199) | \$ (145) | \$ (724) |
| Cash and cash equivalents | | | | |
| Beginning of period | \$ 549 | \$ 1,209 | \$ 549 | \$ 734 |
| End of period | <u>\$ 404</u> | <u>\$ 10</u> | <u>\$ 404</u> | <u>\$ 10</u> |

INDALEX DIVISION, A DIVISION OF INDALEX HOLDING CORP
 COMBINED STATEMENTS OF STOCKHOLDER'S EQUITY
 Feb 2009
 (in thousands Canadian dollars)

| | Additional Paid-in Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total |
|---|----------------------------------|-----------------------------------|---|------------------|
| Successor balance, December 31, 2008 | \$ 100,478 | \$ (31,269) | \$ (682) | \$ 68,527 |
| Dividends and distributions | - | - | - | - |
| Net income | - | (2,863) | - | (2,863) |
| Stock-based compensation | - | - | - | - |
| OCI adjustments | - | - | - | - |
| Successor balance, Feb 2009 | <u>\$ 100,478</u> | <u>\$ (34,132)</u> | <u>\$ (682)</u> | <u>\$ 65,664</u> |

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

Subscribed and sworn to before me
this 3rd day of April, 2009

Marcia Goldin

Notary Public



CANADIAN SECURITY AGREEMENT

dated as of

February 2, 2006,

among

INDALEX HOLDING CORP.,

6461948 CANADA INC.,

THE SUBSIDIARY PARTIES IDENTIFIED HEREIN

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

TABLE OF CONTENTS

| | |
|---|-----|
| ARTICLE I DEFINITIONS | |
| SECTION 1.01 Credit Agreement..... | 1 |
| SECTION 1.02. Other Defined Terms | 1 |
| ARTICLE II PLEDGE OF SECURITIES | |
| SECTION 2.01. Pledge..... | 6 |
| SECTION 2.02. Delivery of the Pledged Collateral..... | 7 |
| SECTION 2.03. Representations, Warranties and Covenants..... | 7 |
| SECTION 2.04. Certification of Limited Liability Company and Limited Partnership Interests .. | 8 |
| SECTION 2.05. Unlimited Liability Companies..... | 8 |
| SECTION 2.06. Registration in Nominee Name; Denominations..... | 9 |
| SECTION 2.07. Voting Rights; Dividends and Interests | 9 |
| ARTICLE III SECURITY INTERESTS IN PERSONAL PROPERTY | |
| SECTION 3.01. Security Interest..... | 12 |
| SECTION 3.02. Representations and Warranties | 14 |
| SECTION 3.03. Covenants..... | 17 |
| SECTION 3.04. Other Actions | 20 |
| SECTION 3.05. Covenants Regarding Patent, Trade-mark, Copyright and Industrial Design..... | 22 |
| SECTION 3.06. Deposit accounts | 24 |
| ARTICLE IV REMEDIES | |
| SECTION 4.01. Remedies Upon Default..... | 26 |
| SECTION 4.02. Application of Proceeds..... | 28 |
| SECTION 4.03. Grant of License to Use Intellectual Property..... | 29 |
| SECTION 4.04. Securities Act..... | 29 |
| SECTION 4.05. Registration..... | 30 |
| SECTION 4.06. Other Actions..... | 31 |
| ARTICLE V INDEMNITY, SUBROGATION AND SUBORDINATION | |
| SECTION 5.01. Indemnity and Subrogation..... | 31 |
| SECTION 5.02. Contribution and Subrogation..... | 31 |
| SECTION 5.03. Subordination..... | 312 |
| ARTICLE VI MISCELLANEOUS | |
| SECTION 6.01. Notices..... | 32 |
| SECTION 6.02. Waivers; Amendment..... | 32 |
| SECTION 6.03. Administrative Agent's Fees and Expenses; Indemnification..... | 32 |
| SECTION 6.04. Successors and Assigns..... | 33 |
| SECTION 6.05. Survival of Agreement..... | 34 |
| SECTION 6.06. Counterparts; Effectiveness; Several Agreement; Maximum Liability..... | 34 |
| SECTION 6.07. Severability..... | 34 |
| SECTION 6.08. Compromises and Collection of Collateral..... | 35 |
| SECTION 6.09. Governing Law; Jurisdiction; Consent to Service of Process..... | 35 |

| | |
|---|----|
| SECTION 6.10. WAIVER OF JURY TRIAL. | 36 |
| SECTION 6.11. Headings. | 36 |
| SECTION 6.12. Security Interest Absolute. | 36 |
| SECTION 6.13. Termination or Release. | 37 |
| SECTION 6.14. Additional Subsidiaries. | 37 |
| SECTION 6.15. Administrative Agent Appointed Attorney-in-Fact. | 37 |
| SECTION 6.16. Intercreditor Agreement..... | 39 |
| SECTION 6.17 Judgment Currency | 39 |
| SECTION 6.18. Attachment of Security Interest | 39 |
| SECTION 6.19. Copy of Agreement; Verification Statement | 40 |
| SECTION 6.20 Amalgamation..... | 40 |

Schedules

- Schedule I Subsidiary Parties
- Schedule II Pledged Stock; Debt Securities
- Schedule III Intellectual Property
- Schedule IV Receivables and Deposit Accounts

Exhibits

- Exhibit A Form of Supplement (Canadian Subsidiary Loan Party)
- Exhibit B Form of Supplement (Domestic Subsidiary Loan Party)

CANADIAN SECURITY AGREEMENT (this "Agreement") dated as of February 2, 2006, among INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), 6461948 CANADA INC., a Canadian corporation and a wholly-owned subsidiary of the Parent Borrower (the "Canadian Subsidiary Borrower" and, together with the Parent Borrower, the "Borrowers"), the Subsidiary Parties identified herein and JPMORGAN CHASE BANK, N.A., a national banking association, as Administrative Agent (the "Administrative Agent").

Reference is made to the Credit Agreement dated as of February 2, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Indalex Holdings Finance Inc. ("Holdings"), the Parent Borrower, the Canadian Subsidiary Borrower, the Subsidiary Loan Parties thereto the Lenders from time to time party thereto and the Administrative Agent. The Lenders have agreed to extend credit to the Borrowers subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. The Subsidiary Parties, who are affiliates of the Canadian Borrower, and the Parent Borrower will derive substantial benefits from the extension of credit to the Borrowers pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit. Accordingly, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. *Credit Agreement.* (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Credit Agreement. All terms defined in the PPSA and not defined in this Agreement have the meanings specified in the PPSA, including without limitation, "Accessions", "Accounts", "Chattel Paper", "Document of Title", "Goods", "Intangibles", "Instruments", "Inventory", "Securities", "financing statement", "financing change statement" and "Proceeds".

(b) The rules of construction specified in Section 1.03 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. *Other Defined Terms.* As used in this Agreement, the following terms have the meanings specified below:

"Account Debtor" means any Person who is or who may become obligated to any Grantor under, with respect to or on account of an Account.

"Agreement" has the meaning assigned to such term in the preamble to

CANADIAN SECURITY AGREEMENT

this Agreement.

“Claiming Party” shall have the meaning assigned to such term in Section 5.02.

“Collateral” means Personal Property Collateral and Pledged Collateral.

“Collateral Access Agreement” means any landlord waiver or other agreement between the Administrative Agent and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of any Grantor for any real property where any Collateral is located, as such landlord waiver or other agreement may be amended, restated or otherwise modified from time to time.

“Collateral Report” means any certificate (including any Borrowing Base Certificate), report or other document delivered by a Grantor to the Administrative Agent or any Lender with respect to the Collateral pursuant to any Loan Document.

“Contributing Party” shall have the meaning assigned to such term in Section 5.02.

“Copyright License” means any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of such Grantor under any such agreement.

“Copyrights” means all of the following now owned or hereafter acquired by any Grantor: (a) all copyright rights in any work subject to the copyright laws of Canada or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in Canada or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the Canadian Intellectual Property Office, including those listed on Schedule III.

“Credit Agreement” has the meaning assigned to such term in the preliminary statement of this Agreement.

“Deposit Account Control Agreement” means an agreement, in form and substance satisfactory to the Administrative Agent, among any Grantor, a banking institution holding such Grantor’s funds and the Administrative Agent with respect to control of all deposits and balances held in a deposit account maintained by such Grantor with such banking institution.

“Domestic Security Agreement” means the Domestic Security Agreement dated as of the date hereof, among Holdings, the Parent Borrower, the subsidiary parties identified therein and JPMorgan Chase Bank, N.A., as Administrative Agent.

“First Activation Period” shall have the meaning assigned to such term in Section 3.06(c).

“First Activation Period Notice” shall have the meaning assigned to such term in Section 3.06(c).

“Grantors” means (a) the Canadian Subsidiary Borrower, (b) the Subsidiary Parties (other than any Subsidiary Party that is a Domestic Subsidiary Loan Party) and (c) solely in respect of the pledge of Pledged Stock contemplated by Section 2.01(a), the Parent Borrower and the Domestic Subsidiary Loan Parties hereto.

“Industrial Design License” means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any Industrial Design, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any Industrial Design, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

“Industrial Designs” mean all of the following now owned or hereafter acquired by any Grantor: (a) all industrial designs, design patents and other designs that the Grantor now or hereafter owns or uses, including but not limited to all industrial designs, design patents and other designs listed on Schedule III hereto and all renewals and extensions thereof, (b) all registrations and recordings thereof and all applications that have been or shall be made or filed in the Canadian Industrial Design Office or any similar office or agency in Canada or any other country or political subdivision thereof and all records thereof and all reissues, extensions or renewals thereof, and (c) all common law and other rights in the above.

“Intangibles” means all choses in action and causes of action and all other intangible personal property of every kind and nature (other than Accounts) now owned or hereafter acquired by any Grantor and all other “intangibles”, as defined in the PPSA, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Swap Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts.

“Intellectual Property” means all intellectual and similar property of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trade-marks, Industrial Designs, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

“Judgment Currency” has the meaning assigned to such term in Section 6.16(a).

“Judgment Currency Conversion Date” has the meaning assigned to such term in Section 6.16(a).

“License” means any Patent License, Trade-mark License, Copyright License or other license or sublicense agreement to which any Grantor is a party, including those listed on Schedule III.

“New York UCC” means the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligation Currency” has the meaning assigned to such term in Section 6.16(a).

“Patent License” means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

“Patents” means all of the following now owned or hereafter acquired by any Grantor: (a) all letters patent of Canada or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of Canada or the equivalent thereof in any other country, including registrations, recordings and pending applications in the Canadian Intellectual Property Office or any similar offices in any other country, including those listed on Schedule III, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“Personal Property Collateral” has the meaning assigned to such term in Section 3.01.

“Pledged Collateral” has the meaning assigned to such term in Section 2.01.

“Pledged Debt Securities” has the meaning assigned to such term in Section 2.01.

“Pledged Securities” means any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

“Pledged Stock” has the meaning assigned to such term in Section 2.01.

“PPSA” means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security as in effect in a jurisdiction other than Ontario, “PPSA” means the *Personal Property Security Act* or such other applicable legislation as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“Receivables” means the Accounts, Chattel Paper, Documents of Title, Securities, Instruments and any other rights or claims to receive money that are Intangibles or otherwise Collateral.

“Receiver” has the meaning assigned to such term in Section 4.01.

“Receivables Account” shall have the meaning assigned to such term in Section 3.06(a)(i).

“Receivables Account Bank” shall have the meaning assigned to such term in Section 3.06(c).

“Second Activation Period Notice” shall have the meaning assigned to such term in Section 3.06(c).

“Secured Parties” means (a) the Lenders, (b) the Administrative Agent, (c) the Issuing Bank, (d) each counterparty to any Swap Agreement with a Loan Party, the obligations under which constitute Swap Obligations, (e) each provider of any Banking Service, the liabilities in respect of which constitute Banking Services Obligations, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (g) the successors and permitted assigns of each of the foregoing.

“Securities Laws” has the meaning assigned to such term in Section 4.04.

“Security Interest” has the meaning assigned to such term in Section 3.01.

“Short Form Security Agreement” has the meaning assigned to such term in Section 3.02(b).

“Sub-Agent” means a financial institution that has delivered to the Administrative Agent an executed Lock Box Agreement.

“Subsidiary Parties” means (a) the Canadian Subsidiary Loan Parties identified on Schedule I, (b) each other Canadian Subsidiary Loan Party that becomes a party to this Agreement as a Subsidiary Party after the Effective Date and (c) each Domestic Subsidiary Loan Party that becomes a party to this Agreement as a Subsidiary Party after the Effective Date.

“Termination Period” shall have the meaning assigned to such term in Section 3.06(c).

“Termination Period Notice” shall have the meaning assigned to such term in Section 3.06(c).

“Trade-mark License” means any written agreement, now or hereafter in effect, granting to any third party any right to use any Trade-mark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trade-mark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

“Trade-marks” means all of the following now owned or hereafter acquired by any Grantor: (a) all Trade-marks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the Canadian Intellectual Property Office or any similar offices in any province or territory of Canada or any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule III, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

“ULC” has the meaning assigned to such term in Section 2.05.

“ULC Interest” has the meaning assigned to such term in Section 2.05.

ARTICLE II

Pledge of Securities

SECTION 2.01. *Pledge*. As security for the payment or performance, as the case may be, in full of the Canadian Secured Obligations, each Grantor hereby assigns, pledges and hypothecates to the Administrative Agent, its successors and permitted assigns, for the rateable benefit of the Secured Parties, and hereby grants and hypothecates to the Administrative Agent, its successors and permitted assigns, for the rateable benefit of the Secured Parties, a security interest in all of such Grantor’s right, title and interest in, to and under (a)(i) the Equity Interests owned by it as of the Effective Date and listed opposite the name of such Grantor on Schedule II, (ii) any Equity Interests of Foreign Subsidiaries obtained in the future by such Grantor (to the extent that such Equity Interests are not otherwise pledged pursuant to Section 2.01 of the Domestic Security Agreement) and (iii) the certificates representing all such Equity Interests (the “Pledged Stock”), (b)(i) the debt securities owned by it as of the Effective Date and listed opposite the name of such Grantor on Schedule II, (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (the “Pledged Debt Securities”), (c) all other property that

may be delivered to and held by the Administrative Agent pursuant to the terms of this Section 2.01, (d) subject to Section 2.07, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above, (e) subject to Section 2.07, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above, and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the "Pledged Collateral").

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Administrative Agent, its successors and assigns, for the rateable benefit of the Secured Parties, forever; *subject, however,* to the terms, covenants and conditions hereinafter set forth.

SECTION 2.02. *Delivery of the Pledged Collateral.* (a) Each Grantor agrees promptly to deliver or cause to be delivered to the Administrative Agent any and all Pledged Securities.

(b) Each Grantor will cause any Indebtedness for borrowed money (i) in the case of Indebtedness owed to such Grantor by any Person other than a Loan Party in any principal amount in excess of \$100,000, and (ii) in the case of Indebtedness owed to such Grantor by any Loan Party in any principal amount, to be evidenced by a duly executed promissory note that is pledged and delivered to the Administrative Agent pursuant to the terms hereof.

(c) Upon the delivery thereof to the Administrative Agent by any Loan Party, (i) any Pledged Securities shall be accompanied by stock powers duly executed in blank or other instruments of transfer satisfactory to the Administrative Agent and by such other instruments and documents as the Administrative Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment duly executed by the applicable Grantor and such other instruments or documents as the Administrative Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing the securities, which schedule shall be attached hereto as Schedule II and made a part hereof, *provided* that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 2.03. *Representations, Warranties and Covenants.* The Grantors jointly and severally represent, warrant and covenant to and with the Administrative Agent, for the benefit of the Secured Parties, that:

(a) Schedule II correctly sets forth the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock issued by Holdings, the Parent Borrower or any Subsidiary and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder;

(b) in the case of Pledged Stock and Pledged Debt Securities issued by Holdings, the Parent Borrower or any Subsidiary, such Pledged Stock and Pledged Debt Securities have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Stock, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(c) except for the security interests granted hereunder, each of the Grantors (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule II as owned by such Grantor, (ii) holds the same free and clear of all Liens, other than Liens created by this Agreement, Permitted Encumbrances, Liens permitted by Section 6.02(u) of the Credit Agreement and transfers made in compliance with the Credit Agreement, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than Liens created by this Agreement, Permitted Encumbrances, Liens permitted by Section 6.02(u) of the Credit Agreement and transfers made in compliance with the Credit Agreement, and (iv) will defend its title or interest thereto or therein against any and all Liens (other than the Lien created by this Agreement and Permitted Encumbrances), however arising, of all Persons whomsoever;

(d) in the case of Pledged Collateral issued by Holdings, the Parent Borrower or any Subsidiary, except for restrictions and limitations imposed by the Loan Documents or Securities Laws generally, such Pledged Collateral is and will continue to be freely transferable and assignable, and none of such Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Administrative Agent of rights and remedies hereunder;

(e) each of the Grantors has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated;

(f) no consent or approval of any Governmental Authority, any securities exchange or any other Person was or is necessary to ensure the validity of the pledge of any Pledged Collateral issued by Holdings, the Parent Borrower or any Subsidiary effected hereby (other than such as have been obtained and are in full force and effect); and

(g) by virtue of the execution and delivery by the Grantors of this Agreement, when any Pledged Securities are delivered to the Administrative Agent in accordance with this Agreement, the Administrative Agent will obtain a legal, valid and perfected Lien upon and security interest in such Pledged Securities as security for the payment and performance of the Canadian Secured Obligations, prior to any other Lien on any Pledged Securities other than Permitted Encumbrances that have priority as a matter of law.

SECTION 2.04. *Certification of Limited Liability Company and Limited Partnership Interests.* Each interest in any limited liability company or limited partnership, in each case controlled by any Grantor and pledged hereunder shall be represented by a certificate, shall be a "security" within the meaning of Article 8 of the New York UCC and shall be governed by Article 8 of the New York UCC.

SECTION 2.05. *Unlimited Liability Companies.* Notwithstanding the grant of security interest made by the Grantors in favour of the Administrative Agent, its successor and assigns, for the rateable benefit of the Secured Parties, of all of its Pledged Stock, any Grantor that controls any interest (for the purposes of this Section 2.05, "ULC Interests") in any unlimited liability company (for the purposes of this Section 2.05, a "ULC") pledged hereunder shall remain registered as the sole registered and beneficial owner of such ULC Interests and will remain as registered and beneficial owner until such time as such ULC Interests are effectively transferred into the name of the Administrative Agent or any other person on the books and records of such ULC. Nothing in this Agreement is intended to or shall constitute the Administrative Agent or any person as a shareholder or member of any ULC until such time as notice is given to such ULC and further steps are taken thereunder so as to register the Administrative Agent or any other person as the holder of the ULC Interests of such ULC. To the extent any provision hereof would have the effect of constituting the Administrative Agent or any other person as a shareholder or member of a ULC prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC Interests of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Pledged Stock which are not ULC Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC Interests following the occurrence and during the continuance of an Event of Default hereunder, no Grantor shall cause or permit, or enable any ULC in which it holds ULC Interests to cause or permit, the Administrative Agent to: (a) be registered as shareholders or members of such ULC; (b) have any notation entered in its favour in the share register of such ULC; (c) be held out as a shareholder or member of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Administrative Agent holding a security interest in such ULC; or (e) act as a shareholder or member of such ULC, or exercise any rights of a shareholder or member of such ULC including the right to attend a meeting of, or to vote the shares of, such ULC.

SECTION 2.06. *Registration in Nominee Name; Denominations.* The Administrative Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, the

name of its nominee (as pledgee or as sub-agent) or the name of the applicable Grantor, endorsed or assigned in blank or in favour of the Administrative Agent. Each Grantor will promptly give to the Administrative Agent copies of any material notices or other material communications received by it with respect to Pledged Securities registered in the name of such Grantor. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent shall at all times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 2.07. *Voting Rights; Dividends and Interest.* (a) Unless and until an Event of Default shall have occurred and be continuing and the Administrative Agent shall have notified the Grantors that their rights under this Section 2.07 are being suspended:

(i) Each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents, *provided* that such rights and powers shall not be exercised in any manner that could materially and adversely affect the rights enuring to a holder of any Pledged Securities or the rights and remedies of any of the Administrative Agent or the other Secured Parties under this Agreement or the Credit Agreement or any other Loan Document or the ability of the Secured Parties to exercise the same.

(ii) The Administrative Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to such Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above (including for the purpose of reinstating any such rights and powers after the cure or waiver of any Event of Default).

(iii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable laws, *provided* that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, amalgamation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral, and, if received by any Grantor, shall not be commingled by

such Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Administrative Agent and shall be forthwith delivered to the Administrative Agent in the same form as so received (with any necessary endorsement).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Administrative Agent shall have notified the Grantors of the suspension of their rights under paragraph (a)(iii) of this Section 2.07, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 2.07 shall cease, and all such rights shall thereupon become vested in the Administrative Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 2.07 shall be held in trust for the benefit of the Administrative Agent, shall be segregated from other property or funds of such Grantor and shall be forthwith delivered to the Administrative Agent upon demand in the same form as so received (with any necessary endorsement). Any and all money and other property paid over to or received by the Administrative Agent pursuant to the provisions of this paragraph (b) shall be retained by the Administrative Agent in an account to be established by the Administrative Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 4.02. After all Events of Default have been cured or waived and the Parent Borrower has delivered to the Administrative Agent a certificate to that effect, the Administrative Agent shall promptly repay to each Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 2.07 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, but after the Administrative Agent shall have notified the Grantors of the suspension of their rights under paragraph (a)(i) of this Section 2.07, all rights of any Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 2.07 and the obligations of the Administrative Agent under paragraph (a)(ii) of this Section 2.07 shall cease, and all such rights shall thereupon become vested in the Administrative Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, *provided* that, unless otherwise directed by the Required Lenders, the Administrative Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Grantors to exercise such rights.

(d) Any notice given by the Administrative Agent to the Grantors suspending their rights under paragraph (a) of this Section 2.07 (i) may be given by telephone if promptly confirmed in writing, (ii) may be given to one or more of the Grantors at the same or different times and (iii) may suspend the rights of the Grantors

under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Administrative Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Administrative Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE III

Security Interests in Personal Property

SECTION 3.01. *Security Interest.* (a) As security for the payment or performance, as the case may be, in full of its Canadian Secured Obligations, each Grantor hereby assigns, pledges and hypothecates to the Administrative Agent, its successors and permitted assigns, for the benefit of the Secured Parties, and hereby grants and hypothecates to the Administrative Agent, its successors and assigns, for the benefit of the Secured Parties, a security interest (the "Security Interest") in, all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Personal Property Collateral"):

- i) all Accounts;
 - ii) all Chattel Paper;
 - iii) all cash and Deposit Accounts;
 - iv) all Documents of Title;
 - v) all Equipment;
 - vi) all Intangibles;
 - vii) all Instruments;
 - viii) all Inventory;
 - ix) all Securities;
 - x) all books and records pertaining to the Personal Property Collateral; and
 - xi) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.
- (b) Each Grantor hereby irrevocably authorizes the Administrative Agent at

any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) or financing change statements with respect to the Personal Property Collateral or any part thereof and amendments thereto that (i) indicate the Collateral as all assets of such Grantor or words of similar effect as being of an equal or lesser scope or with greater detail and (ii) contain the information required by the PPSA for the filing of any financing statement, financing change statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (B) in the case of a financing statement filed as a fixture filing or covering Personal Property Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Personal Property Collateral relates. Each Grantor agrees to provide such information to the Administrative Agent promptly upon request.

Each Grantor also ratifies its authorization for the Administrative Agent to file in any relevant jurisdiction any initial financing statements, financing change statements or amendments thereto if filed prior to the date hereof.

The Administrative Agent is further authorized to file with the Canadian Intellectual Property Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest, including a notice of grant of security interest, granted by each Grantor, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Administrative Agent as secured party.

(c) The Security Interest is granted as security only and shall not subject the Administrative Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Personal Property Collateral.

(d) Notwithstanding anything herein to the contrary, (i) in no event shall the Security Interest granted hereunder attach to (x) any license, contract or agreement to which a Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such Security Interest shall constitute or result in (A) the unenforceability of any right of the Grantor therein, (B) a breach or termination pursuant to the terms of, or a default under, any such license, contract or agreement (other than to the extent any such term would be rendered ineffective pursuant to the PPSA or any other applicable law or principles of equity) or (C) the violation of any law applicable to such Grantor or (y) any property or asset of any Grantor securing Indebtedness that prohibits the granting of any other Lien on such property or asset, in each case as permitted under the Credit Agreement; *provided, however*, that, in the case of clauses (x) and (y), such Security Interest shall attach immediately at such time as the condition causing such unenforceability or prohibiting the granting of any other Lien, as the case may be, shall be remedied and, in the case of clause (x), to the extent severable, shall attach immediately to any portion of such license, contract or agreement that does not result in any of the consequences specified in clause (A), (B) or (C) above, including, without

limitation, any proceeds of such contract or agreement, and (ii) the term "Personal Property Collateral" shall not include any asset of any Grantor to which the Security Interest has not attached pursuant to this clause (d).

(e) The Personal Property Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest granted hereby in the Personal Property Collateral, the Grantors or any of them shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(f) The term "Goods" when used in this Agreement shall not include "consumer goods" of any Grantor as that term is defined in the PPSA.

(g) Notwithstanding Section 3.01(a), any Grantor's grant of security in Trade-marks (as defined in the *Trade-marks Act* (Canada)) under this Agreement shall be limited to a grant by such Grantor of a security interest in all of such Grantor's right, title and interest in such Trade-marks.

(h) Each Grantor and the Administrative Agent hereby acknowledge that (a) value has been given in respect of the security interests granted herein; (b) such Grantor has rights in the Collateral in which it has granted a security interest; and (c) this Agreement constitutes a security agreement as that term is defined in the PPSA.

(i) If the Collateral is realized upon and the security interest in the Collateral is not sufficient to satisfy all of the Canadian Secured Obligations, each Grantor acknowledges and agrees that, subject to the provisions of the PPSA, such Grantor shall continue to be liable for any Canadian Secured Obligations remaining outstanding and the Administrative Agent shall be entitled to pursue full payment thereof.

SECTION 3.02. *Representations and Warranties.* The Grantors jointly and severally represent and warrant to the Administrative Agent and the Secured Parties that:

(a) Each Grantor has good and valid rights in or title to the Personal Property Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Administrative Agent, for the benefit of the Secured Parties, the Security Interest in such Personal Property Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained.

(b) The Canadian Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of each Grantor, is correct and complete as of the Effective Date. The financing statements (including fixture filings, as applicable), financing change statements or other appropriate filings, recordings or registrations prepared by the Administrative Agent based upon the

information provided to the Administrative Agent in the Canadian Perfection Certificate for filing in each governmental office, federal, provincial or municipal, or other office specified in Schedule 2 to the Canadian Perfection Certificate (or specified by notice from the Parent Borrower to the Administrative Agent after the Effective Date in the case of filings, recordings or registrations required by Section 5.12 of the Credit Agreement or Section 3.03 hereof), are all the filings, recordings and registrations (other than filings required to be made in the Canadian Intellectual Property Office in order to perfect the Security Interest in Personal Property Collateral consisting of Patents, Trade-marks, Copyrights and Industrial Designs) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favour of the Administrative Agent (for the benefit of the Secured Parties) in respect of all Personal Property Collateral in which the Security Interest may be perfected by filing, recording or registration in Canada (or any political subdivision thereof) and its provinces and territories and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements or financing change statements for renewals. Each Grantor shall ensure that a fully executed agreement in a form reasonably satisfactory to the Administrative Agent (a "Short Form Security Agreement") that contains a description of all Personal Property Collateral consisting of the applicable type of Intellectual Property shall have been received by the Administrative Agent (i) within three months after the execution of this Agreement with respect to Patents, Trade-marks, Copyrights and Industrial Designs for recording by the Canadian Intellectual Property Office to protect the validity of and to establish a legal, valid and perfected security interest in favour of the Administrative Agent (for the benefit of the Secured Parties) in respect of all Personal Property Collateral consisting of Patents, Trade-marks, Copyrights and Industrial Designs in which a security interest may be perfected by filing, recording or registration in Canada (or any political subdivision thereof) and its provinces or territories and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Personal Property Collateral consisting of Patents, Trade-marks, Copyrights and Industrial Designs (or registration or application for registration thereof) acquired or developed after the date hereof).

(c) The Security Interest constitutes (i) a legal and valid security interest in all the Personal Property Collateral securing the payment and performance of the Canadian Secured Obligations, (ii) subject to the filings described in Section 3.02(b), a perfected security interest in all Personal Property Collateral in which a security interest may be perfected by filing, recording or registering a financing statement, financing change statement or analogous document in Canada (or any political subdivision thereof) and its provinces or territories pursuant to the PPSA and (iii) a security interest that shall be perfected in all Personal Property Collateral in which a security interest may be perfected upon the receipt of an executed Short Form Security Agreement from the applicable Grantor and the recording of such Short Form Security Agreement by the Administrative Agent with the Canadian Intellectual Property Office within the applicable three month period (commencing as of the date hereof). The Security Interest is and shall be prior to any other Lien on any of the Personal Property Collateral, other than Permitted

Encumbrances that have priority as a matter of law and Liens expressly permitted to be prior to the Security Interest pursuant to Section 6.02 of the Credit Agreement.

(d) The Personal Property Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. None of the Grantors has filed or consented to the filing of (i) any financing statement, financing change statement or analogous document under the PPSA or any other applicable laws covering any Personal Property Collateral, (ii) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Personal Property Collateral with the Canadian Intellectual Property Office or (iii) any assignment in which any Grantor assigns any Personal Property Collateral or any security agreement or similar instrument covering any Personal Property Collateral with any foreign governmental, federal, provincial or municipal, or other office, which financing statement, financing change statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement.

(e) As of the date of any such delivery, the names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper are and will be correctly stated in all material respects in all invoices and the Collateral Reports most recently delivered to the Administrative Agent with respect thereto furnished to the Administrative Agent by such Grantor from time to time. As of the time when each Account or each item of Chattel Paper arises, the Grantor shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, are genuine.

(f) With respect to any Inventory of any Grantor scheduled or listed on the most recent Collateral Report, (i) such Inventory (other than Inventory in transit, Inventory that is being processed or used as a sample offsite and Inventory that is the subject of consignment) is located at one of the Grantors' locations set forth in Section 2 of the Canadian Perfection Certificate, (ii) no material amount of Inventory (other than Inventory in transit, Inventory that is being processed or used as a sample offsite and Inventory that is the subject of consignment) is now, or shall at any time or times hereafter be, stored at any other location except as permitted by Section 3.04(g), (iii) each Grantor has good, indefeasible and merchantable title to its Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the Lien granted to the Administrative Agent, for the benefit of the Administrative Agent and Lenders, and except for Liens permitted under Section 6.02 of the Credit Agreement, (iv) no material portion of such Inventory is subject to any licensing, patent, royalty, Trade-mark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any third party upon such sale or other disposition, and (v) the completion of manufacture, sale or other disposition of such Inventory by the Administrative Agent following an Event of Default shall not require the consent of any Person and shall not constitute a breach or default under any contract or agreement to which the applicable Grantor is a party or to which such Inventory is subject.

SECTION 3.03. *Covenants.* (a) Each Grantor agrees promptly to notify the Administrative Agent in writing of any change in (i) within 30 days, its legal name, (ii) within 30 days, the location or address of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Personal Property Collateral owned by it or any office or facility at which Personal Property Collateral owned by it is located (including the establishment of any such new office or facility), (iii) its identity or type of organization or corporate structure, (iv) its Federal Taxpayer Identification Number or organizational identification number or (v) its jurisdiction of organization, incorporation or amalgamation. Each Grantor agrees to promptly provide the Administrative Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the PPSA or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Personal Property Collateral.

(b) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Personal Property Collateral owned by it in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, but in any event to include accounting records that are complete in all material respects and indicate all payments and proceeds received with respect to any part of the Personal Property Collateral, and, at such time or times as the Administrative Agent may reasonably request, promptly to prepare and deliver to the Administrative Agent a duly certified schedule or schedules in form and detail satisfactory to the Administrative Agent showing the identity, amount and location of any and all Personal Property Collateral.

(c) At the time of delivery of financial statements pursuant to Section 5.01(a) of the Credit Agreement, the Canadian Subsidiary Borrower shall deliver to the Administrative Agent a certificate executed by a Financial Officer (i) setting forth the information required by the Canadian Perfection Certificate or confirming that there has been no change in such information since the date of the Canadian Perfection Certificate delivered on the Effective Date or the date of the certificate most recently delivered pursuant to this Section 3.03(c), as applicable, and (ii) certifying that all PPSA financing statements and financing change statements (including fixture filings), or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each governmental office, federal, provincial or municipal, or other appropriate office in each jurisdiction identified pursuant to clause (a) of this Section 3.03 to the extent necessary to protect or perfect the Security Interest for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period). Each certificate delivered pursuant to this Section 3.03(c) shall identify in the format of Schedule III all Intellectual Property of any Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Administrative Agent.

(d) Each Grantor shall, at its own expense, take any and all commercially reasonable actions necessary to defend title to the Personal Property Collateral against all Persons and to defend the Security Interest of the Administrative Agent in the Personal Property Collateral and the priority thereof, in each case, against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

(e) Subject to any specific limitation contained herein, each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Administrative Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements or financing change statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable under or in connection with any of the Personal Property Collateral shall be or become evidenced by any promissory note or other instrument, subject to Section 3.04 such note or instrument shall be immediately pledged and delivered to the Administrative Agent, duly endorsed in a manner satisfactory to the Administrative Agent.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Administrative Agent, with prompt notice thereof to the Grantors, to supplement this Agreement by supplementing Schedule III or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents, Trade-marks or Industrial Designs, *provided* that any Grantor shall have the right, exercisable within 10 days after it has been notified by the Administrative Agent of the specific identification of such Collateral, to advise the Administrative Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Administrative Agent of the specific identification of such Collateral.

(f) At its option, the Administrative Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Personal Property Collateral and not permitted pursuant to Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Personal Property Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Administrative Agent on demand for any payment made or any expense incurred by the Administrative Agent pursuant to the foregoing authorization, *provided* that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Administrative Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and

maintenance as set forth herein or in the other Loan Documents.

(g) If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other Person with a fair market value in excess of \$100,000 to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Administrative Agent. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other Person granting the security interest.

(h) Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Personal Property Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Administrative Agent and the Secured Parties from and against any and all liability for such performance.

(i) None of the Grantors shall make or permit to be made an assignment, pledge or hypothecation of the Personal Property Collateral or shall grant any other Lien in respect of the Personal Property Collateral, except as permitted by the Credit Agreement. None of the Grantors shall make or permit to be made any transfer of the Personal Property Collateral and each Grantor shall remain at all times in possession of the Personal Property Collateral owned by it, except that unless and until the Administrative Agent shall notify the Grantors that an Event of Default shall have occurred and be continuing and that during the continuance thereof the Grantors shall not sell, convey, lease, assign, transfer or otherwise dispose of any Personal Property Collateral, the Grantors may use, transfer and dispose of the Personal Property Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document.

(j) Each Grantor irrevocably makes, constitutes and appoints the Administrative Agent (and all officers, employees or agents designated by the Administrative Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, upon the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Personal Property Collateral under policies of insurance, endorsing the name of such Grantor on any cheque, money order, note, order, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required under the Credit Agreement or to pay any premium in whole or part relating thereto, the Administrative Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Administrative Agent deems advisable. All sums disbursed by the Administrative Agent in connection with this paragraph, including reasonable legal fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Administrative

Agent and shall be additional Canadian Secured Obligations secured hereby.

(k) No Grantor will make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of an Event of Default, any Grantor may reduce the amount of Accounts arising from the sale of Inventory in the ordinary course of business. Except as otherwise provided in this Agreement, each Grantor will collect and enforce, at such Grantor's sole expense, all amounts due or hereafter due to such Grantor under the Receivables to the extent such collection or enforcement is commercially warranted. Each Grantor will deliver to the Administrative Agent immediately upon its request after the occurrence and during the continuation of an Event of Default duplicate invoices with respect to each of its Account bearing such language of assignment as the Administrative Agent shall specify. Each Grantor shall send the Administrative Agent a copy of any credit memorandum in excess of \$100,000 as soon as issued, and the Parent Borrower shall promptly report each credit memorandum and each of the facts required to be disclosed to the Administrative Agent in accordance with this clause (k) on the Borrowing Base Certificates submitted by it.

(l) In the event any Account Debtor returns Inventory to any Grantor when an Event of Default has occurred and is continuing, such Grantor, upon the request of the Administrative Agent, shall (i) hold the returned Inventory in trust for the Administrative Agent, (ii) segregate all returned Inventory from all its other property, (iii) dispose of the returned Inventory solely according to the Administrative Agent's written instructions and (iv) not issue any credits or allowances with respect thereto without the Administrative Agent's prior written consent.

SECTION 3.04. *Other Actions.* In order to further ensure the attachment, perfection and priority of, and the ability of the Administrative Agent to enforce, the Security Interest, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Personal Property Collateral:

(a) *Instruments.* If any Grantor shall at any time hold or acquire any Instrument (other than items deposited for collection) evidencing an amount in excess of \$100,000, such Grantor shall forthwith endorse, assign and deliver the same to the Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Administrative Agent may from time to time reasonably request.

(b) *Deposit Accounts.* Schedule IV identifies each deposit account of each Grantor as of the Effective Date. For each deposit account that any Grantor at any time opens or maintains, the applicable Grantor shall provide to the Administrative Agent a Deposit Account Control Agreement duly executed on behalf of each financial institution holding a deposit account of such Grantor as set forth in Section 3.06, (x) in the case of each deposit account set forth on Schedule IV, on or prior to the date that is 30 days after the Effective Date (or such later date as is acceptable to the Administrative Agent in its sole discretion), and (y) in the case of each deposit account opened after the Effective

Date, on the date such deposit account is opened, *provided* that the Administrative Agent may, in its sole discretion, defer delivery of any such Deposit Account Control Agreement required to be delivered hereunder, establish a Reserve with respect to any deposit account for which the Administrative Agent has not received such Deposit Account Control Agreement or require any Grantor to open and maintain a new deposit account with a financial institution subject to a Deposit Account Control Agreement. The provisions of this clause (b) will not apply to (i) any deposit account for which any Grantor, the depository bank and the Administrative Agent have entered into a cash collateral agreement specially negotiated among such Grantor, the depository bank and the Administrative Agent for the specific purpose set forth therein, (ii) any deposit account for which the Administrative Agent is the depository and (iii) any deposit account specifically and exclusively used for payroll, payroll taxes or other employee wage or benefit payments to or for the benefit of the applicable Grantor's employees.

(c) *Securities.* Except to the extent otherwise provided in Article II, if any Grantor shall at any time hold or acquire any certificated securities with a value in excess of \$100,000, such Grantor shall forthwith endorse, assign and deliver the same to the Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Administrative Agent may from time to time specify. If any securities now or hereafter acquired by any Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall immediately notify the Administrative Agent thereof and, at the Administrative Agent's reasonable request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) cause the issuer to agree to comply with instructions from the Administrative Agent as to such securities, without further consent of any Grantor or such nominee, or (ii) arrange for the Administrative Agent to become the registered owner of the securities or (iii) take appropriate steps under applicable foreign law to effectuate perfection. Other than securities or investment property held by any Grantor or its nominee through a securities intermediary or commodities intermediary as described in clause (d) of the definition of "Permitted Encumbrances" in the Credit Agreement or in connection with any hedging agreement permitted under the Credit Agreement, if any securities with a value in excess of \$100,000, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a securities intermediary or commodity intermediary, such Grantor shall immediately notify the Administrative Agent thereof and, at the Administrative Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Administrative Agent to such securities intermediary as to such security entitlements, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Administrative Agent to such commodity intermediary, in each case without further consent of any Grantor or such nominee, or (ii) in the case of financial assets or other Securities held through a securities intermediary, arrange for the Administrative Agent to become the entitlement holder with respect to such investment property, with the Grantor being permitted, only with the

consent of the Administrative Agent, to exercise rights to withdraw or otherwise deal with such investment property. The Administrative Agent agrees with each of the Grantors that the Administrative Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights would occur. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which the Administrative Agent is the securities intermediary.

(d) *Letter-of-Credit Rights.* If any Grantor is at any time a beneficiary under a letter of credit with a face amount in excess of \$100,000 now or hereafter issued in favour of such Grantor, such Grantor shall promptly notify the Administrative Agent thereof and, at the request and option of the Administrative Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Administrative Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Administrative Agent to become the transferee beneficiary of the letter of credit, with the Administrative Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

(e) *Collateral Access Agreements.* Each Grantor shall use commercially reasonable efforts to obtain a Collateral Access Agreement from the lessor of each leased property, mortgagee of each owned property or bailee or consignee with respect to each warehouse, processor and converter facility and any other location where Collateral is stored or located, which agreement shall be reasonably satisfactory in form and substance to the Administrative Agent.

(f) *Government Claims.* Each Grantor shall promptly notify the Administrative Agent of any Collateral which constitutes a claim in excess of \$100,000 against the Canadian federal government or any provincial, territorial, municipal or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by any federal, provincial, territorial or municipal law of Canada or any part thereof.

SECTION 3.05. *Covenants Regarding Patent, Trade-mark, Copyright and Industrial Design Collateral.* (a) Each Grantor agrees that it (i) will not do any act or omit to do any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act), whereby any Patent that is material to the conduct of such Grantor's business may become invalidated or dedicated to the public, and (ii) shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trade-mark material to the conduct of such Grantor's business, (i) maintain such Trade-mark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trade-mark, (iii) display such Trade-mark with notice of Canadian federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trade-mark in violation of any third party rights.

(c) Each Grantor (either itself or through its licensees or sublicensees) will, for each work covered by a material Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws.

(d) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Industrial Design material to the conduct of such Grantor's business, (i) maintain such Industrial Design in full force free from any claim of abandonment or invalidity for non use, (ii) maintain the quality of products and services offered under such Industrial Design, (iii) not do any act or omit to do any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act), whereby any Industrial Design may become invalidated or dedicated to the public, and (iv) continue to mark any products covered by a Industrial Design with the relevant number as necessary and sufficient to establish and preserve its maximum rights under applicable laws.

(e) Each Grantor shall notify the Administrative Agent promptly if it knows or has reason to know that any Patent, Trade-mark, Copyright or Industrial Design material to the conduct of its business may become abandoned, lost or dedicated to the public, or of any materially adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the Canadian Intellectual Property Office or any court or similar office of any country) regarding such Grantor's ownership of any such Patent, Trade-mark, Copyright or Industrial Design, its right to register the same, or its right to keep and maintain the same.

(f) In no event shall any Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trade-mark, Copyright or Industrial Design (or for the registration of any Trade-mark, Copyright or Industrial Design) with the Canadian Intellectual Property Office or any office or agency in any political subdivision of the United States, Canada or in any other country or any political subdivision thereof, unless it promptly informs the Administrative Agent, provides to the Administrative Agent a revised Schedule III to supplement this Agreement and, upon request of the Administrative Agent, executes and delivers any and all agreements, instruments, documents and papers as the Administrative Agent may reasonably request to evidence the Administrative Agent's security interest in such Patent, Trade-mark, Copyright or Industrial Design, and each Grantor hereby appoints the Administrative Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes,

all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(g) Each Grantor will take all necessary steps that are consistent with the practice in any proceeding before the Canadian Intellectual Property Office or any office or agency in any political subdivision of the United States or Canada or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trade-marks, Copyrights and/or Industrial Designs (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trade-marks, Copyrights and Industrial Designs that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(h) In the event that any Grantor becomes aware that any Personal Property Collateral consisting of a Patent, Trade-mark, Copyright or Industrial Design material to the conduct of any Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party in any material respect, such Grantor promptly shall notify the Administrative Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Personal Property Collateral.

(i) Upon the occurrence and during the continuance of an Event of Default, each Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License, Trade-mark License or Industrial Design License to effect the assignment of all such Grantor's right, title and interest thereunder to the Administrative Agent or its designee.

SECTION 3.06. *Deposit accounts.*

(a) *Collection of Receivables.* (i) On or before the Effective Date, each Grantor shall execute and deliver to the Administrative Agent a Deposit Account Control Agreement for each deposit account it maintains into which all cash, cheques, orders, notes, drafts or other similar payments relating to or constituting payments made in respect of Receivables and Inventory will be deposited (each, a "Receivables Account"), which Receivables Accounts are identified as such on Schedule IV. After the Effective Date, each Grantor will comply with the terms of clause (b) of this Section.

(ii) Each Grantor shall direct all of its Account Debtors to forward payments directly to Receivables Accounts subject to the Deposit Account Control Agreements. If any Grantor should refuse or neglect to notify any Account Debtor to forward payments directly to a Receivables Account subject to a Deposit Account Control Agreement after notice from the Administrative Agent, the Administrative Agent shall be entitled to make

such notification directly to Account Debtor. If notwithstanding the foregoing instructions, any Grantor receives any proceeds of any Receivables or Inventory, such Grantor shall receive such payments as the Administrative Agent's trustee, and shall immediately deposit all cash, cheques, orders, notes, drafts or other similar payments related to or constituting payments made in respect of Receivables received by it to a Receivables Account.

(b) *New Deposit Accounts.* Before any Grantor opens or replaces any Receivables Account or any other deposit account, such Grantor shall (i) obtain the Administrative Agent's consent in writing to the opening of such deposit account or Receivables Account and (ii) cause each bank or financial institution in which it seeks to open (A) a deposit account to enter into a Deposit Account Control Agreement with the Administrative Agent in order to give the Administrative Agent control of such deposit account or (B) a Receivables Account to enter into a Deposit Account Control Agreement with the Administrative Agent in order to give the Administrative Agent control of the Receivables Account. In the case of deposit accounts or Receivables Account maintained with Lenders, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding set-offs.

(c) *Activation Periods.* Pursuant to each Deposit Account Control Agreement, all amounts deposited in each Receivables Account shall be in the control of the Administrative Agent. The applicable Grantor may operate and transact business through its Receivables Account in its normal fashion, including making withdrawals, provided that (i) if, at any time, Availability falls below \$20,000,000, the Administrative Agent shall (A) send a notice (the "First Activation Period Notice") to each bank where any Grantor maintains a Receivables Account (each, a "Receivables Account Bank") that commences a period (the "First Activation Period") during which the applicable Receivables Account Bank shall cease complying with any instructions originated by the applicable Grantor and shall comply with instructions originated by the Administrative Agent directing disposition of funds, without further consent of the applicable Grantor and (B) apply (and allocate) the funds in each Receivables Account pursuant to Section 2.10(b) of the Credit Agreement, (ii) if, during the First Activation Period, Availability exceeds \$35,000,000 for a period of 60 consecutive days, the Administrative Agent shall send a notice to each Receivables Account Bank (the "Termination Notice") that terminates the First Activation Period and commences a period (the "Termination Period") in which the applicable Grantor may transact business through each Receivables Account in its normal fashion, including making withdrawals from each Receivables Account, (iii) if, at any point during the Termination Period, Availability falls below \$20,000,000, the Administrative Agent shall send a notice to each Receivables Account Bank (the "Second Activation Period Notice") that the applicable Receivables Account Bank shall cease complying with any instructions originated by the applicable Grantor and shall comply with instructions originated by the Administrative Agent directing disposition of funds, without further consent of the applicable Borrower. Administrative Agent has sole control over each Receivables Account and the Grantors cannot make any withdrawals from any Receivables Account.

ARTICLE IV

Remedies

SECTION 4.01. *Remedies Upon Default.* Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Administrative Agent on demand, and it is agreed that the Administrative Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Personal Property Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Personal Property Collateral by the applicable Grantors to the Administrative Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Personal Property Collateral throughout the world on such terms and conditions and in such manner as the Administrative Agent shall determine (other than in violation of any applicable laws or regulations or then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Personal Property Collateral and without liability for trespass to enter any premises where the Personal Property Collateral may be located for the purpose of taking possession of or removing the Personal Property Collateral and, generally, to exercise any and all rights afforded to a secured party under the PPSA or other applicable law (including, without limitation, giving notice of sole control or any other instruction under any Deposit Account Control Agreement or any other control agreement with any securities intermediary and take any action therein with respect to such Collateral). Without limiting the generality of the foregoing, each Grantor agrees that the Administrative Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Administrative Agent shall deem appropriate. The Administrative Agent shall be authorized at any such sale of securities (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Administrative Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale of Collateral shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Administrative Agent shall give the applicable Grantors 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of the PPSA) of the Administrative Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or

exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Administrative Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Administrative Agent may (in its sole and absolute discretion) determine. The Administrative Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Administrative Agent until the sale price is paid by the purchaser or purchasers thereof, but the Administrative Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Administrative Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Administrative Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Canadian Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Administrative Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 4.01 shall be deemed to conform to the commercially reasonable standards as provided in the PPSA.

The Administrative Agent may appoint, remove or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of any Grantor or not, to be an interim receiver, receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of such Collateral (including any interest, income or profits therefrom). Any such Receiver shall, to the extent permitted by applicable law, be deemed the agent of such Grantor and not of the Administrative Agent, and the Administrative Agent shall not be in any way responsible for any misconduct, negligence or non-feasance on the part

of any such Receiver or its servants, agents or employees. Subject to the provisions of the instrument appointing it, any such Receiver shall (i) have such powers as have been granted to the Administrative Agent under this Article IV and (ii) shall be entitled to exercise such powers at any time that such powers would otherwise be exercisable by the Administrative Agent under this Article IV, which powers shall include, but are not limited to, the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of such Grantor and to sell, lease, licence or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including any Grantor, enter upon, use and occupy all premises owned or occupied by such Grantor wherein the Collateral may be situate, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on such Grantor's business or as security for loans or advances to enable the Receiver to carry on such Grantor's business or otherwise, as such Receiver shall, in its reasonable discretion, determine. Except as may be otherwise directed by the Administrative Agent, all money received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to the Administrative Agent and any surplus shall be applied in accordance with applicable law. Every such Receiver may, in the discretion of the Administrative Agent, be vested with, in addition to the rights set out herein, all or any of the rights and powers of the Administrative Agent described in the Credit Agreement, the PPSA or the *Bankruptcy and Insolvency Act* (Canada).

SECTION 4.02. *Application of Proceeds*. The Administrative Agent shall apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Canadian Secured Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of any other Canadian Secured Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of such other Canadian Secured Obligations owed to them on the date of any such distribution); and

THIRD, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Administrative Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any

sale of Collateral by the Administrative Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Administrative Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Administrative Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.03. *Grant of License to Use Intellectual Property.* For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Agreement at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Administrative Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or sublicense any of the Personal Property Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Administrative Agent may be exercised, at the option of the Administrative Agent, upon the occurrence and during the continuation of an Event of Default, provided that any license, sublicense or other transaction entered into by the Administrative Agent in accordance herewith shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

SECTION 4.04. *Securities Act.* In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect in the United States or Canada or any province or territory thereof (such Act and any such similar statute as from time to time in effect being called the "Securities Laws") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Securities Laws might very strictly limit the course of conduct of the Administrative Agent if the Administrative Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Administrative Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable "blue sky" or other state securities laws or similar laws analogous in purpose or effect in the United States or Canada or any province or territory thereof. Each Grantor recognizes that in light of such restrictions and limitations the Administrative Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Administrative Agent, in its sole and absolute discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part

thereof shall have been filed under the Securities Laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favourable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Administrative Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Administrative Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 4.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Administrative Agent sells.

SECTION 4.05. *Registration.* Each Grantor agrees that, upon the occurrence and during the continuance of an Event of Default, if for any reason the Administrative Agent desires to sell any of the Pledged Collateral at a public sale, it will, at any time and from time to time, upon the written request of the Administrative Agent, use its best efforts to take or to cause the issuer of such Pledged Collateral to take such action and prepare, distribute and/or file such documents, as are required or advisable in the reasonable opinion of counsel for the Administrative Agent to permit the public sale of such Pledged Collateral. Each Grantor further agrees to indemnify, defend and hold harmless (in the manner and to the extent provided by Section 9.03 of the Credit Agreement) the Administrative Agent, each other Secured Party, any underwriter and their respective officers, directors, affiliates and controlling persons from and against all loss, liability, expenses, costs of counsel (including, without limitation, reasonable fees and expenses of legal counsel to the Administrative Agent), and claims (including the costs of investigation) that they may incur insofar as such loss, liability, expense or claim directly or indirectly arises out of or is based upon any alleged untrue statement of a material fact contained in any prospectus (or any amendment or supplement thereto) or in any notification or offering circular, or directly or indirectly arises out of or is based upon any alleged omission to state a material fact required to be stated therein or necessary to make the statements in any thereof not misleading, except insofar as the same may have been caused by any untrue statement or omission based upon information furnished in writing to such Grantor or the issuer of such Pledged Collateral by the Administrative Agent or any other Secured Party expressly for use therein. Each Grantor further agrees, upon such written request referred to above, to use its best efforts to qualify, file or register, or cause the issuer of such Pledged Collateral to qualify, file or register, any of the Pledged Collateral under the "blue sky" or other analogous securities laws of such states or any of the provinces or territories of Canada as may be requested by the Administrative Agent and keep effective, or cause to be kept effective, all such qualifications, filings or registrations. Each Grantor will bear all costs and expenses of carrying out its obligations under this Section 4.05. Each Grantor acknowledges that there is no adequate remedy at law for failure by it to comply with the provisions of this Section 4.05 and that such failure would not be adequately compensable in damages, and therefore agrees that its agreements contained in this Section 4.05 may be specifically enforced.

SECTION 4.06. *Other Actions.* After the occurrence of an Event of Default, each Grantor will, at its own expense, cause the independent certified public or chartered accountants then engaged by such Grantor to prepare and deliver to the Administrative Agent and each Lender, at any time and from time to time, promptly upon the request of the Administrative Agent, the following reports with respect to such Grantor: (a) a reconciliation of all Accounts; (b) an aging of such Accounts; (c) trial balances in respect of such Accounts; and (d) a test verification of such Accounts.

ARTICLE V

Indemnity, Subrogation and Subordination

SECTION 5.01. *Indemnity and Subrogation.* The Borrowers agree that in the event any assets of any Grantor shall be sold pursuant to this Agreement or any other Collateral Document to satisfy in whole or in part an obligation owed to any Secured Party, the Borrowers shall indemnify such Grantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 5.02. *Contribution and Subrogation.* Each Grantor (a "Contributing Party") agrees (subject to Section 5.03) that, in the event a payment shall be made by any other Grantor hereunder in respect of any Canadian Secured Obligation or assets of any other Grantor shall be sold pursuant to any Collateral Document to satisfy any Canadian Secured Obligation owed to any Secured Party and such other Grantor (the "Claiming Party") shall not have been fully indemnified by the Borrowers as provided in Section 5.01, the Contributing Party shall indemnify the Claiming Party in an amount equal to such Contributing Party's Foreign Applicable Percentage (as such term is defined in Section 10.10 of the Credit Agreement) of such payment or the greater of the book value or the fair market value of such assets, as the case may be. Any Contributing Party making any payment to a Claiming Party pursuant to this Section 5.02 shall be subrogated to the rights of such Claiming Party under Section 5.01 to the extent of such payment. Nothing in this provision shall affect any Grantor's several liability for the entire amount of the Canadian Secured Obligations (up to such Grantor's Maximum Liability).

SECTION 5.03. *Subordination.* (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Grantors under Sections 5.01 and 5.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Canadian Secured Obligations. No failure on the part of any Grantor to make the payments required by Sections 5.01 and 5.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Grantor with respect to its obligations hereunder, and each Grantor shall remain liable for the full amount of the obligations of such Grantor hereunder.

(b) Each Grantor hereby agrees that all Indebtedness and other monetary obligations owed by it to any other Grantor or any other Subsidiary shall be fully

subordinated to the indefeasible payment in full in cash of the Canadian Secured Obligations.

ARTICLE VI

Miscellaneous

SECTION 6.01. *Notices.* All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Party shall be given to it in care of the Parent Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 6.02. *Waivers; Amendment.* (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Grantor herefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 6.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan, the acceptance and purchase of a B/A or the issuance, amendment, renewal or extension of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on any Grantor in any case shall entitle any Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Grantor or Grantors with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 6.03. *Administrative Agent's Fees and Expenses; Indemnification.* (a) The parties hereto agree that the Administrative Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.03 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Grantor jointly and severally agrees to indemnify the Administrative Agent and the other Indemnitees against, and hold each Indemnitee harmless from, any

and all losses, claims, damages, penalties, liabilities and related expenses, including the reasonable fees, charges and disbursements of one counsel for the Indemnitees (in addition to one local counsel in each relevant jurisdiction, including Canadian local counsel) except in the case where there is a divergent or conflicting interest between the Administrative Agent and the Lenders, in which case there shall be one separate counsel for the Administrative Agent, on the one hand, and the Lenders as a group, on the other hand, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of, the execution, delivery or performance of this Agreement or any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing agreements or instruments contemplated hereby, or to the Collateral (including any such claim, litigation, investigation or proceeding brought by or on behalf of any Grantor or any Related Party of a Grantor), whether based on contract, tort or any theory, regardless of whether or not any Indemnitee is a party thereto, *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final judgment to have resulted from the gross negligence, bad faith or wilful misconduct of such Indemnitee or any of its Related Parties.

(c) Any such amounts payable as provided hereunder shall be additional Canadian Secured Obligations secured hereby and by the other Security Documents. The provisions of this Section 6.03 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Canadian Secured Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent or any other Secured Party. All amounts due under this Section 6.03 shall be payable on written demand therefor.

SECTION 6.04. *Successors and Assigns.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Administrative Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 6.05. *Survival of Agreement.* All covenants, agreements, representations and warranties made by the Grantors in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the execution and delivery of the Loan Documents and the making of any Loans, the acceptance and purchase of any B/As and issuance, amendment, renewal or extension of any Letters of Credit, regardless of any investigation made by any Lender or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan, the face amount of any B/A or any fee or any other amount

payable under any Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

SECTION 6.06. *Counterparts; Effectiveness; Several Agreement; Maximum Liability.* This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed Counterpart of this Agreement. This Agreement shall become effective as to any Grantor when a counterpart hereof executed on behalf of such Grantor shall have been delivered to the Administrative Agent and a counterpart hereof shall have been executed on behalf of the Administrative Agent, and thereafter shall be binding upon such Grantor and the Administrative Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Grantor, the Administrative Agent and the other Secured Parties and their respective successors and assigns, except that no Grantor shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Grantor and may be amended, modified, supplemented, waived or released with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder. In any action or proceeding involving any United States or Canadian federal, state, provincial, territorial or foreign corporate law, or any United States or Canadian federal, state, provincial, territorial or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Grantor under this Agreement would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Grantor's liability under this Agreement, then, notwithstanding any other provision of this Agreement to the contrary, the amount of such liability shall, without any further action by the Grantors or the Administrative Agent, be automatically limited and reduced to such Grantor's Maximum Liability. This Section 6.06 with respect to the Maximum Liability of each Grantor is intended solely to preserve the rights of the Administrative Agent and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Grantor nor any other person or entity shall have any right or claim under this Section 6.06 with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Grantor hereunder shall not be rendered voidable under applicable law. Each Grantor agrees that the Canadian Secured Obligations may at any time and from time to time exceed the Maximum Liability of each Grantor without impairing this Agreement or affecting the rights and remedies of the Administrative Agent and the Lenders hereunder, provided that nothing in this sentence shall be construed to increase any Grantor's obligations hereunder beyond its Maximum Liability.

SECTION 6.07. *Severability.* Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the

invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 6.08. *Compromises and Collection of Collateral.* The Grantors and the Administrative Agent recognize that set-offs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Administrative Agent may, at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Administrative Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Administrative Agent shall be commercially reasonable so long as the Administrative Agent acts in good faith based on information known to it at the time it takes any such action.

SECTION 6.09. *Governing Law; Jurisdiction; Consent to Service of Process.* (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Province of Ontario. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Grantor or its properties in the courts of any jurisdiction.

(c) Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section 6.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in

the manner provided for notices in Section 6.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 6.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.10.

SECTION 6.11. *Headings.* Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 6.12. *Security Interest Absolute.* All rights of the Administrative Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Canadian Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Canadian Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Canadian Secured Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Canadian Secured Obligations or this Agreement.

SECTION 6.13. *Termination or Release.* (a) This Agreement, the Security Interest and all other security interests granted hereby shall terminate when all the Canadian Obligations have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement, the Total L/C Exposure has been reduced to zero and the Issuing Bank has no further obligations to issue Letters of Credit under the Credit Agreement.

(b) A Subsidiary Party shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Party shall be automatically released upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subsidiary Party ceases to be a Subsidiary Loan Party, *provided* that the Lenders shall have consented to such transaction (to the extent required by the Credit Agreement) and the terms of such consent did not provide otherwise.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement, or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 9.02 of the Credit Agreement, the security interest in such Collateral shall be automatically released.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Administrative Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 6.13 shall be without recourse to or warranty by the Administrative Agent.

SECTION 6.14. *Additional Subsidiaries.* (a) Pursuant to Section 5.12 of the Credit Agreement, each Canadian Subsidiary Loan Party that was not in existence or not a Canadian Subsidiary Loan Party on the Effective Date is required to enter into this Agreement as a Subsidiary Party upon becoming such a Canadian Subsidiary Loan Party. Upon execution and delivery by the Administrative Agent and a Canadian Subsidiary Loan Party of an instrument in the form of Exhibit A hereto, such Canadian Subsidiary Loan Party shall become a Subsidiary Party hereunder with the same force and effect as if originally named as a Subsidiary Party herein. The execution and delivery of any such instrument shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any Canadian Subsidiary Loan Party as a party to this Agreement.

(b) Pursuant to Section 5.12 of the Credit Agreement, each Domestic Subsidiary Loan Party that at any time acquires any Equity Interests in a Foreign Subsidiary that is organized under the laws of Canada of any territory or province thereof is required to enter into this Agreement as a Subsidiary Party. Upon execution and delivery by the Administrative Agent and a Domestic Subsidiary Loan party of an instrument in the form of Exhibit B hereto, such Domestic Subsidiary Loan Party shall become a Subsidiary Party hereunder with the same force and effect as if originally named as a Subsidiary Party herein. The execution and delivery of any such instrument shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any Domestic Subsidiary Loan Party as a party to this Agreement.

SECTION 6.15. *Administrative Agent Appointed Attorney-in-Fact.* Each Grantor

hereby appoints the Administrative Agent the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable until the payment in full of the Canadian Secured Obligations and coupled with an interest. Without limiting the generality of the foregoing, the Administrative Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Administrative Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, cheques, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof, (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral, (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral, (d) to send verifications of Receivables to any Account Debtor, (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral, (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral, (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Administrative Agent, and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Administrative Agent were the absolute owner of the Collateral for all purposes, provided that nothing herein contained shall be construed as requiring or obligating the Administrative Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Administrative Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Administrative Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or wilful misconduct.

SECTION 6.16. *Intercreditor Agreement.* Notwithstanding anything herein to the contrary, the Lien and Security Interest granted to the Administrative Agent pursuant to this Agreement and the exercise of any right of remedy by the Administrative Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern.

SECTION 6.17. *Judgment Currency.* (a) The obligations of any Grantor hereunder and under the other Loan Documents to make payments in U.S. Dollars or in Canadian Dollars, as the case may be (for the purposes of this Section 6.16, the "Obligation Currency"), shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the

Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or a Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent or a Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Grantor or any other Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (for the purposes of this Section 6.16, such other currency being hereinafter referred to as the “Judgment Currency”) an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange prevailing, in each case, as of the date immediately preceding the day on which the judgment is given (for the purposes of this Section 6.16, such Business Day being hereinafter referred to as the “Judgment Currency Conversion Date”).

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each Grantor covenants and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the prevailing rate of exchange, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 6.18. *Attachment of Security Interest.* The security interest created hereby is intended to attach, in respect of Collateral in which any Grantor has rights at the time this Agreement is signed by such Grantor and delivered to the Administrative Agent, at the time this Agreement is signed by such Grantor and delivered to the Administrative Agent and, in respect of Collateral in which any Grantor subsequently acquires rights, at the time such Grantor subsequently acquires such rights. The Grantors acknowledge and confirm that value has been given by the Administrative Agent and the Lenders to the Grantors.

SECTION 6.19. *Copy of Agreement; Verification Statement.* The Grantors hereby acknowledge receipt of a signed copy of this Agreement and hereby waive the requirement to be provided with a copy of any verification statement issued in respect of a financing statement or financing change statement filed under the PPSA in connection with this Agreement to perfect the security interest created herein.

SECTION 6.20 *Amalgamation.* The Canadian Subsidiary Borrower acknowledges and agrees that upon its amalgamation with Indalex Limited, it is the intention of the parties hereto that the term the “Canadian Subsidiary Borrower” shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interest and Lien granted hereby:

(a) shall extend to all of the Collateral owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any Collateral thereafter owned or acquired by the amalgamated corporation; and

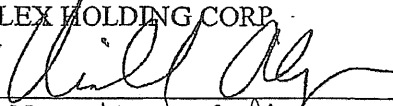
(b) shall secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to any Secured Party at the time of amalgamation and any Secured Obligation of the amalgamated corporation to any Secured Party thereafter arising. The Security Interest shall attach to Collateral owned by the corporation amalgamating with the Canadian Subsidiary Borrower, and by the amalgamated corporation, at the time of the amalgamation, and shall attach to any Collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

INDALEX HOLDING CORP.

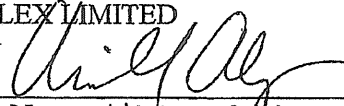
By



Name: Michael Alger
Title: CFO

INDALEX LIMITED

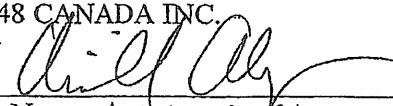
By



Name: Michael Alger
Title: CFO

6461948 CANADA INC.

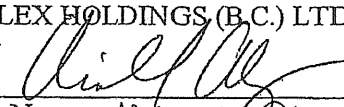
By



Name: Michael Alger
Title: CFO

INDALEX HOLDINGS (B.C.) LTD.

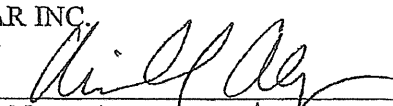
By



Name: Michael Alger
Title: CFO

NOVAR INC.

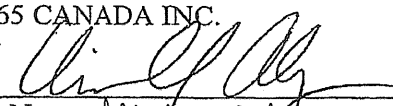
By



Name: Michael Alger
Title: CFO

6326765 CANADA INC.

By



Name: Michael Alger
Title: CFO

JP MORGAN CHASE BANK, N.A.,
AS ADMINISTRATIVE AGENT

By

Name:

Title:

JOHN C. RIORDAN
VICE PRESIDENT

SUBSIDIARY PARTIES

INDALEX LIMITED

NOVAR INC.

INDALEX HOLDINGS (B.C.) LTD.

6326765 CANADA INC.

EQUITY INTERESTS
[PRE-AMALGAMATION]

| Issuer | Number of Certificate | Registered Owner | Number and Class of Equity Interest | Percentage of Equity Interests |
|------------------------------|-----------------------|-----------------------|--|--------------------------------|
| Indalex Limited | | 6461948 Canada Inc. | 1001 common shares | 100% |
| 6461948 Canada Inc. | | Indalex Holding Corp. | 1,000,000 common share | 100% |
| Indalex Holdings (B.C.) Ltd. | | Indalex Limited | 100 shares | 100% |
| 6326765 Canada Inc. | | Indalex Limited | 1 common share | 100% |
| Novar Inc. | | Indalex Limited | 100 common shares | 100% |
| Indalex UK Limited | | Indalex Limited | 46,208,000 Ordinary Shares 30,100 Deferred Shares | 100% |

DEBT SECURITIES

| Issuer | Principal Amount | Date of Note | Maturity Date |
|--|--|--------------------|--|
| 6461948 Canada Inc. in favour of Indalex Holding Corp. | CDN\$182,651,075 (being the equivalent of US\$160,150,000) | On the date hereof | One year from issuance, renewable annually |

EQUITY INTERESTS
[POST-AMALGAMATION]

| Issuer | Number of Certificate | Registered Owner | Number and Class of Equity Interest | Percentage of Equity Interests |
|------------------------------|-----------------------|-----------------------|--|--------------------------------|
| Indalex Limited | | Indalex Holding Corp. | 1001 common shares | 100% |
| Indalex Holdings (B.C.) Ltd. | | Indalex Limited | 100 shares | 100% |
| 6326765 Canada Inc. | | Indalex Limited | 1 common share | 100% |
| Novar Inc. | | Indalex Limited | 100 common shares | 100% |
| Indalex UK Limited | | Indalex Limited | 46,208,000 Ordinary Shares 30,100 Deferred Shares | 100% |

DEBT SECURITIES

| Issuer | Principal Amount | Date of Note | Maturity Date |
|--|--|--------------------|--|
| 6461948 Canada Inc. in favour of Indalex Holding Corp. | CDN\$182,651,075 (being the equivalent of US\$160,150,000) | On the date hereof | One year from issuance, renewable annually |

COPYRIGHTS OWNED BY 6461948 CANADA INC., INDALEX LIMITED, NOVAR
INC., INDALEX HOLDINGS (B.C.) LTD. AND 6326765 CANADA INC.

Canadian Copyright Registrations

Nil.

Canadian Pending Copyright Applications for Registration

Nil.

LICENSES FOR 6461948 CANADA INC., INDALEX LIMITED, NOVAR INC.,
INDALEX HOLDINGS (B.C.) LTD. AND 6326765 CANADA INC.

I. Licenses/Sublicensees as Licensor on Date Hereof

A. Copyrights

Nil.

B. Patents

Canadian Patents

Nil.

Canadian Patent Applications

Nil.

C. Trade-marks

Canadian Trade-marks

Nil.

Canadian Trade-mark Applications

Nil.

II. Licensees/Sublicensees as Licensee on Date Hereof

A. Copyrights

Nil.

B. Patents

Canadian Patents

Nil.

Canadian Patent Applications

Nil.

C. Trade-marks

Canadian Trade-marks

Nil.

Canadian Trade-mark Applications

Nil.

PATENTS OWNED BY 6461948 CANADA INC., INDALEX LIMITED, NOVAR
INC., INDALEX HOLDINGS (B.C.) LTD. AND 6326765 CANADA INC.

Canadian Patent Registrations

| <u>Registered Owner</u> | <u>Title and Registration Number</u> | <u>Registration Date</u> |
|-------------------------|---|--------------------------|
| Indalex Limited | Method of Extrusion and Extrusion Press (5,054,303 (U.S.)) | October 8, 1991 |

Canadian Patent Applications

Nil.

TRADE-MARK/TRADE NAMES OWNED BY 6461948 CANADA INC., INDALEX
LIMITED, NOVAR INC., INDALEX HOLDINGS (B.C.) LTD. AND 6326765
CANADA INC.

Canadian Trade-mark Registrations

| <u>Registered Owner</u> | <u>Mark</u> | <u>Registration Number</u> | <u>Expiration Date</u> |
|-----------------------------|------------------------------------|--------------------------------|------------------------|
| Indalex Limited | **INDAL TECHNOLOGIES | TMA583 | June 13, 2018 |
| Indalex Limited | **INDALTECH | TMA583 | June 12, 2018 |
| Indalex Limited | *PRO LITE & Design | TMA526 | April 19, 2015 |
| Indalex Limited | *LOCK-WOOD | TMA292 | July 13, 2014 |
| Indalex Limited | *LOCK-WOOD & Design | TMA290 | April 27, 2014 |
| Indalex Limited | *LOCKOTE | TMA257 | April 17, 2011 |
| Indalex Limited | *FIBER-LITE Design | TMA509 | March 12, 2014 |
| Indalex Limited | *WINDOWS DOORS & MORE | TMA481 | August 21, 2012 |
| Indalex Limited | *LADDER XTRAS Design | TMA480 | August 14, 2012 |
| Indalex Limited | INDAL | TMA443 | May 26, 2010 |
| Indalex Limited | INDALEX | TMA443 | May 19, 2010 |
| Indalex Limited | *LOCK-WOOD WINDOWS DOORS & MORE | TMA442 | April 28, 2010 |
| Indalex Limited | INDALLOY | TMA340 | May 6, 2018 |
| Indalex Limited | INDALGLASS | TMA368 | April 27, 2020 |
| Indalex Limited | INDAL METALS | TMA381 | March 22, 2006 |
| Indalex Limited | *LITE & Design | TMA425 | March 18, 2009 |
| Indalex Limited | INDAL CONSUMER PRODUCTS | TMA396 | March 27, 2007 |
| Indalex Limited | INDAL BUILDING PRODUCTS | TMA381 | March 22, 2006 |
| Indalex Limited | INDALEX ALUMINUM SOLUTIONS | TMA579 | April 28, 2018 |

| | | | |
|-----------------|----------|--------|------------------|
| Indalex Limited | I Design | TMA569 | October 30, 2017 |
| Indalex Limited | **ITI | TMA592 | October 18, 2018 |

*Indalex does not claim any rights to those names designated.

**Indalex licenses those names designated.

Canadian Trade-mark Applications

Nil.

Trade Names

Nil.

RECEIVABLES AND DEPOSIT ACCOUNTS

6461948 CANADA INC.

Nil.

NOVAR INC.

Nil.

INDALEX HOLDINGS (B.C.) LTD.

Nil.

6326765 CANADA INC.

Nil.

INDALEX LIMITED

| Financial Institution | Account No. | Currency | Account Description | Location |
|-----------------------|---------------|----------|---------------------|-------------------|
| Bank of America | 3750797204 | USD | Deposit Account | |
| Royal Bank of Canada | 08802-4001293 | USD | Master account | Indalex Division |
| Royal Bank of Canada | 00002-4052635 | USD | Master account | Indalloy |
| Royal Bank of Canada | 00002-4002796 | USD | Master account | Indalex Corporate |
| Royal Bank of Canada | 00008-0000075 | CAD | Master account | Indalex Division |
| Royal Bank of Canada | 00002-1013432 | CAD | Master account | Indalex Corporate |
| Royal Bank of Canada | 00002-1299676 | CAD | Master account | Indalloy |
| Royal Bank of Canada | 01141-1092899 | CAD | Payroll account | Montreal |
| Royal Bank of Canada | 01141-1092915 | CAD | Imprest account | Montreal |
| Royal Bank of Canada | 01279-1002237 | CAD | Payroll account | Calgary |
| Royal Bank of Canada | 01279-1002260 | CAD | Imprest account | Calgary |
| Royal Bank of Canada | 04320-1001676 | CAD | Payroll account | Vancouver |
| Royal Bank of Canada | 04320-1131234 | CAD | Imprest account | Vancouver |

Schedule IV to
the Canadian Security Agreement

| | | | | |
|----------------------|---------------|-----|------------------------------|---------------------|
| Royal Bank of Canada | 08802-1023126 | CAD | Executive Payroll account | Indalex Division |
| Royal Bank of Canada | 08802-1023134 | CAD | Payroll account | Indalex Division |
| Royal Bank of Canada | 08802-1023142 | CAD | Payroll account | Mississauga |
| Royal Bank of Canada | 00002-1135961 | CAD | Master account | Friedland |

CANADIAN SUPPLEMENT NO. ___ dated as of [●] (this "Supplement"), to the Canadian Security Agreement dated as of February 2, 2006 (the "Canadian Security Agreement"), among INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), 6461948 CANADA INC., a Canadian corporation and a wholly-owned subsidiary of the Parent Borrower (the "Canadian Subsidiary Borrower"), and, together with the Parent Borrower, the "Borrowers"), each Subsidiary Party identified therein (each such subsidiary individually a "Subsidiary Grantor" and collectively, the "Subsidiary Grantors"; the Subsidiary Grantors, the Parent Borrower and the Canadian Subsidiary Borrower are referred to collectively herein as the "Grantors") and JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent").

A. Reference is made to the Credit Agreement dated as of February 2, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Indalex Holdings Finance, Inc., the Parent Borrower, the Canadian Subsidiary Borrower, the Lenders from time to time party thereto and the Administrative Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Canadian Security Agreement referred to therein.

C. The Grantors have entered into the Canadian Security Agreement in order to induce the Lenders to make Loans and accept and purchase B/A's and the Issuing Bank to issue Letters of Credit. Section 6.14(a) of Canadian Security Agreement provides that additional Canadian Subsidiary Loan Parties may become Subsidiary Parties under the Canadian Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Canadian Subsidiary Loan Party (the "New Subsidiary") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Party under the Canadian Security Agreement in order to induce the Lenders to make additional Loans and accept and purchase additional B/As and the Issuing Bank to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Administrative Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 6.14(a) of the Canadian Security Agreement, the New Subsidiary by its signature below becomes a Subsidiary Party and Grantor under the Canadian Security Agreement with the same force and effect as if

originally named therein as a Subsidiary Party and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Canadian Security Agreement applicable to it as a Subsidiary Party and Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Canadian Secured Obligations, does hereby create and grant to the Administrative Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and Lien on all of the New Subsidiary's right, title and interest in and to the Collateral of the New Subsidiary. Each reference to a "Grantor" in the Canadian Security Agreement shall be deemed to include the New Subsidiary. The Canadian Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Administrative Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and the Administrative Agent has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of the location of any and all Collateral of the New Subsidiary, (b) set forth on Schedule II attached hereto is a true and correct schedule of all the Pledged Securities of the New Subsidiary, (c) set forth on Schedule III attached hereto is a true and correct schedule of all Intellectual Property of the New Subsidiary and (d) set forth under its signature hereto, is the true and correct legal name of the New Subsidiary, its jurisdiction of formation and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the Canadian Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the

Canadian Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 6.01 of the Canadian Security Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Administrative Agent.

IN WITNESS WHEREOF, the New Subsidiary and the Administrative Agent have duly executed this Supplement to the Canadian Security Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

By

Name:

Title:

Legal Name:

Jurisdiction of Formation:

Location of Chief Executive office:

JPMORGAN CHASE BANK AS
ADMINISTRATIVE AGENT,

by

Name:

Title:

LOCATION OF COLLATERAL

Description

Location

PLEDGED SECURITIES

| <u>Issuer</u> | <u>Equity Interests</u> | | | |
|---------------|----------------------------------|-----------------------------|---|---|
| | <u>Number of Certificate</u> | <u>Registered Owner</u> | <u>Number and Class of Equity Interests</u> | <u>Percentage of Equity Interests</u> |

| <u>Issuer</u> | <u>Debt Securities</u> | | |
|---------------|-----------------------------|---------------------|----------------------|
| | <u>Principal Amount</u> | <u>Date of Note</u> | <u>Maturity Date</u> |

INTELLECTUAL PROPERTY

DOMESTIC SUPPLEMENT NO. ___ dated as of [●] (this "Supplement"), to the Canadian Security Agreement dated as of February 2, 2006 (the "Canadian Security Agreement"), among INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), 6461948 CANADA INC., a Canadian corporation and a wholly-owned subsidiary of the Parent Borrower (the "Canadian Subsidiary Borrower", and, together with the Parent Borrower, the "Borrowers"), each Subsidiary Party identified therein (each such subsidiary individually a "Subsidiary Grantor" and collectively, the "Subsidiary Grantors"; the Subsidiary Grantors, the Parent Borrower and the Canadian Subsidiary Borrower are referred to collectively herein as the "Grantors") and JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent").

A. Reference is made to the Credit Agreement dated as of February 2, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Indalex Holdings Finance, Inc., the Parent Borrower, the Canadian Subsidiary Borrower, the Lenders from time to time party thereto and the Administrative Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Canadian Security Agreement referred to therein.

C. The Grantors have entered into the Canadian Security Agreement in order to induce the Lenders to make Loans and accept and purchase B/A's and the Issuing Bank to issue Letters of Credit. Section 6.14(b) of Canadian Security Agreement provides that Domestic Subsidiary Loan Parties may become Subsidiary Parties under the Canadian Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Domestic Subsidiary Loan Party (the "New Subsidiary") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Party under the Canadian Security Agreement in order to induce the Lenders to make additional Loans and accept and purchase additional B/As and the Issuing Bank to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Administrative Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 6.14(b) of the Canadian Security Agreement, the New Subsidiary by its signature below becomes a Subsidiary Party and Grantor under the Canadian Security Agreement with the same force and effect as if originally named therein as a Subsidiary Party and the New Subsidiary hereby (a) agrees

to all the terms and provisions of the Canadian Security Agreement applicable to it as a Subsidiary Party and Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Canadian Secured Obligations, does hereby create and grant to the Administrative Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and Lien on all of the New Subsidiary's right, title and interest in and to all Equity Interests of Foreign Subsidiaries owned by the New Subsidiary (to the extent that such Equity Interests are not otherwise pledged pursuant to Section 2.01 of the Domestic Security Agreement). Each reference to a "Grantor" in the Canadian Security Agreement (as such term is used solely in respect of the pledge of Pledged Stock contemplated by Section 2.01(a) of the Canadian Security Agreement) shall be deemed to include the New Subsidiary. The Canadian Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Administrative Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and the Administrative Agent has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of all the Pledged Stock of the New Subsidiary and (b) set forth under its signature hereto, is the true and correct legal name of the New Subsidiary, its jurisdiction of formation and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the Canadian Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the

Canadian Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 6.01 of the Canadian Security Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Administrative Agent.

IN WITNESS WHEREOF, the New Subsidiary and the Administrative Agent have duly executed this Supplement to the Canadian Security Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by

Name:

Title:

Legal Name:

Jurisdiction of Formation:

Location of Chief Executive office:

JPMORGAN CHASE BANK, N.A.
AS ADMINISTRATIVE AGENT,

by

Name:

Title:

Equity Interests

| <u>Issuer</u> | <u>Number of Certificate</u> | <u>Registered Owner</u> | <u>Number and Class of Equity Interests</u> | <u>Percentage of Equity Interests</u> |
|---------------|----------------------------------|-----------------------------|---|---|
|---------------|----------------------------------|-----------------------------|---|---|

1

2

3

4

5

6

7

8

9

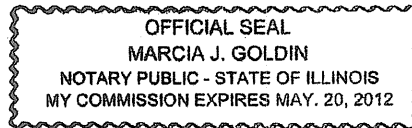
10

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

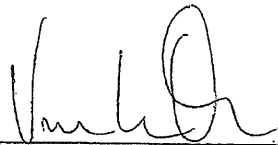
Subscribed and sworn to before me
this 3rd day of April, 2009

Marcia Goldin

Notary Public



Je certifie que la réquisition présentée le 2006-02-02 à 12:01 a été inscrite au Livre foncier de la circonscription foncière de Montréal sous le numéro 13 033 043.



Officier adjoint de la publicité foncière

Identification de la réquisition

| | |
|-------------------------|----------------------------------|
| Mode de présentation : | Acte |
| Forme : | Notariée en minute |
| Notaire instrumentant : | M ^e Stéphanie Grondin |
| Numéro de minute : | 536 |

12h01
2006-02-02 heure-minute

13 033 043

(AA: 6 249 070)

DEED OF HYPOTHEC

ON THE Second (2nd) day of February, in the year Two Thousand And Six (2006).

BEFORE M^{re} Stéphanie GRONDIN, the undersigned Notary for the Province of Québec, practising in the City of Montréal.

A P P E A R E D :

JPMORGAN CHASE BANK, N.A. a bank, having a place of business at One Chase Manhattan Plaza, 8th Floor, New York, New York, 10081 U.S.A., herein acting in its capacity as *fondé de pouvoir* under Article 2692 of the *Civil Code of Quebec* and represented by Beatrice VAN RUTTEN, its mandatary, duly authorized by and in virtue of a Power of Attorney ("Mandate") dated January 23, 2006, a copy of which is hereto annexed and signed for identification by the said representative and the undersigned Notary.

(hereinafter referred to as the "Attorney")

A N D :

INDALEX LIMITED, a Canadian corporation, having a place of business at 5675 Kennedy Road, Mississauga, Ontario, L4Z 2H9, herein acting and represented by Yannick BEAUDOIN, its mandatary, duly authorized for the purposes hereof in virtue of a resolution adopted by the Board of Directors on February 2, 2006 a certified or duplicate copy of which is hereto annexed and signed for identification by the said representative and the undersigned Notary.

(hereinafter referred to as the "Grantor")

WHICH PARTIES HAVE DECLARED AS FOLLOWS:

WHEREAS the Grantor has entered into the "Credit Agreement" (as hereinafter defined) with the Attorney and others;

WHEREAS, pursuant to the *Civil Code of Québec*, the Grantor wishes to grant a hypothec on the "Charged Property" (as hereinafter defined);

WHEREAS, Article 2692 of the *Civil Code of Québec* permits the granting of a hypothec securing payment of bonds or other titles of indebtedness in favour of the person holding the power of attorney (*fondé de pouvoir*) of all or certain creditors;

WHEREAS, pursuant to the Credit Agreement and herein, the Attorney is designated and appointed as *fondé de pouvoir* with the authority to enter into a deed of hypothec under Article 2692 of the *Civil Code of Québec*;

WHEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 In this Deed of Hypothec:

- 1.1.1 "Administrative Agent" shall have the meaning attributed to it in the Credit Agreement;
- 1.1.2 "Administrator" shall have the meaning attributed to it in Section 7.3.1;
- 1.1.3 "Attorney" means JPMorgan Chase Bank, N.A. appointed herein pursuant to Section 2.1 hereof and in the Credit Agreement as *fondé de pouvoir* for the Bondholder, and acting in its capacity as the person holding the power of attorney (*fondé de pouvoir*) of all or certain creditors, as contemplated by Article 2692 of the *Civil Code of Québec* and shall include its successors and assigns appointed pursuant to the provisions hereof and under the Credit Agreement;
- 1.1.4 "Bondholder" or "Holder", means any person entered as a holder of Bonds in the register maintained for that purpose by the Attorney including, without limitation, as set forth in Section 3.7 hereof;
- 1.1.5 "Bondholder's Instrument" means at any time a document signed by the Bondholder;
- 1.1.6 "Bonds" means the bonds which have been or may be issued hereunder and which are outstanding from time to time;
- 1.1.7 "Buildings" means all buildings and other constructions now or hereafter erected upon the Immovables;
- 1.1.8 "Canadian Security Agreement" means the Canadian Security Agreement date as of February 2, 2006, among Indalex Holding Corp., 6461948 Canada Inc., the Subsidiary Loan Parties identified therein and JPMorgan Chase Bank, N.A. as Administrative Agent and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof;
- 1.1.9 "Charged Property" shall have the meaning attributed to it in Section 4.1;
- 1.1.10 "Claims" means, collectively, all accounts receivable, book accounts, book debts, debts, claims, rentals, revenues,

incomes, royalties, loans receivable, demands, rebates, refunds, amounts owing by or claimable from the crown, state or government or any departments, agents or agencies thereof which now are or which may at any time hereafter be due or owing to or owned by the Grantor or in which the Grantor now or hereafter has any other interest and all security interests, hypothecs, assignments, guarantees, bills of exchange, notes, negotiable instruments, contracts, invoices, books of account, letters of credit and other documents and rights now held or owned or which may be hereafter held or owned by the Grantor or any third party on behalf of the Grantor in respect of any of the foregoing and all rights of an unpaid vendor, including rights to merchandise returned, repossessed or recovered;

- 1.1.11 "**Collateral Bonds**" shall have the meaning attributed to it in Section 3.1;
- 1.1.12 "**Credit Agreement**" means the Credit Agreement dated as of February 2, 2006, among, Indalex Holdings Finance, Inc., Indalex Holding Corp., as Parent Borrower, 6461948 Canada Inc., as Canadian Subsidiary Borrower, the Subsidiary Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and J.P. Morgan Securities Inc., as sole bookrunner and sole lead arranger, and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof;
- 1.1.13 "**Creditors**" means, collectively, the Lenders and any person which is or becomes a lender under the Credit Agreement, including their respective successors and assigns;
- 1.1.14 "**Documents of Title**" means, collectively, all documents of title, whether negotiable or non-negotiable including, without limitation, all warehouse receipts and bills of lading in which the Grantor now or hereafter has an interest;
- 1.1.15 "**Equipment**" means, collectively, all machinery, equipment, furniture, fixtures, materials, supplies, appliances, dyes, molds, tanks, vehicles, furnaces, boilers, motors, engines, accessories and tools now owned or hereafter acquired by the Grantor, whether or not the same be affixed to any immovable property or used upon or in connection therewith, together with all present and future improvements, appurtenances and accessories thereto;
- 1.1.16 "**Event of Default**" means each of the events or circumstances referred to in Section 7.1;
- 1.1.17 "**Hypothec Amount**" means the sum of Two Hundred Million Dollars (CDN\$200,000,000.00);

- 1.1.18 "**Immovables**" means, collectively, all immovable property(ies) of the Grantor now owned or hereafter acquired including, but not limited to, the immovable property(ies) described in the First Schedule herein and any other property which becomes immovable by effect of law;
- 1.1.19 "**Insurance**" means, collectively, all Insurance policies relating directly or indirectly to any of the Charged Property or any part thereof and all rights and claims under all policies of insurance of whatever nature including, without limitation, under life insurance policies and under insurance against loss or damage;
- 1.1.20 "**Intangible Property**" means, collectively, all incorporeal property now owned or hereafter acquired by the Grantor or its interest therein and all intellectual property, patents and patents pending, registered and unregistered trademarks, trade or brand names, trade styles, service marks, copyrights, industrial designs, formulae, processes, trade secrets, goodwill, contractual rights, licences and permits;
- 1.1.21 "**Interest Rate**" means twenty-five percent (25%) per annum;
- 1.1.22 "**Inventory**" means, collectively, all property in stock and inventory now owned and hereafter acquired by the Grantor including, without limitation, all raw materials, goods in process, finished goods, goods in transit and all packaging and shipping materials and all materials and merchandise procured for the manufacture or production thereof and all goods, wares and merchandise held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor;
- 1.1.23 "**Loan Documents**" means, collectively, the Credit Agreement and the Canadian Security Agreement;
- 1.1.24 "**Leases**" means, collectively, all present and future leases, offers to lease, sub-leases and other agreements relating to the occupancy, use or enjoyment of the whole or any portion of the Immovables and "**Lease**" means any one of them;
- 1.1.25 "**Monies**" means, collectively, all monies, cash, foreign currencies and credits in which the Grantor now or hereafter has an interest;
- 1.1.26 "**Obligations**" shall have the meaning attributed to it in Section 4.1;
- 1.1.27 "**Permitted Charges**" means, collectively, the following:

- (a) the security presently existing or hereafter created in favour or for the benefit of the Creditors and/or the Attorney;
 - (b) "Permitted Encumbrances" as that expression is defined in the Credit Agreement;
- 1.1.28 "**Pledge Agreement**" means the agreement entered into by the Grantor in conjunction with the Credit Agreement pursuant to which the Bonds are pledged in favour of the Attorney and the Creditors;
- 1.1.29 "**Proceeds**" means, collectively, all property in any form derived directly or indirectly from any dealings with any of the Charged Property;
- 1.1.30 "**Records**" means, collectively, all computer programs, firmware and software and all computer and other records, data and all access codes relating to any of the foregoing, whether in hard copy or otherwise, pertaining to any of the Charged Property and the equipment containing same;
- 1.1.31 "**Related Property**" means the following: (a) any indemnity or proceeds of expropriation or reimbursement of all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable in respect of any of the Charged Property as well as any and all interest thereon and penalties imposed in respect thereof now or hereafter payable; and (b) any present and future rights whatsoever attached to the Immovables or any other Charged Property, as well as all present and future fruits and revenues thereof;
- 1.1.32 "**Rents**" means any and all present and future rents, income, revenues and/or any other amounts produced by or in respect of the Immovables including, for greater certainty, any and all amounts owing and to become owing by any lessee or other person under any Lease as well as all present and future claims and security therefor and rights to collect and receive same; and
- 1.1.33 "**Securities**" means, collectively, all shares, stocks, warrants, bonds, debentures, debenture stock, and other securities in which the Grantor now or hereafter has an interest.
- 1.2 All capitalized terms and expressions used but not defined herein shall have the same meaning as that ascribed to them in the Credit Agreement.
- 1.3 Any word herein contained in the singular number will include the plural; any word importing any gender will include the masculine, feminine and neuter genders; any word importing a person will

include a corporation, a partnership and any other entity and vice-versa. The headings of this Deed of Hypothec are for convenience of reference only and shall not affect in any manner any of the terms and conditions hereof or the construction or interpretation of this Deed of Hypothec.

- 1.4 All references to dollar amounts, unless expressly otherwise provided, are expressed in terms of the lawful currency of Canada.

2. APPOINTMENT OF THE FONDÉ DE POUVOIR

2.1 Appointment of the Fondé de Pouvoir

Pursuant to the Credit Agreement, the Attorney is designated and appointed as the *fondé de pouvoir* of the Creditors with the authority to enter into a deed of hypothec under Article 2692 of the *Civil Code of Québec* on behalf and for the benefit of the Bondholders. The Grantor hereby irrevocably appoints and confirms the appointment of the Attorney as the *fondé de pouvoir* on behalf of the present and future Bondholders.

Any person who becomes a Bondholder shall benefit from the provisions hereof and the appointment of the Attorney as *fondé de pouvoir* for the Bondholder and, upon becoming a Bondholder, irrevocably authorizes the Attorney to perform such function.

- 2.2 Each holder of a Bond, by its acceptance thereof, acknowledges that the first issue of a Bond has been or may be purchased from the Grantor by the Administrative Agent or the Attorney by underwriting, purchase, subscription or otherwise.

2.3 Acceptance of Appointment

The Attorney hereby accepts its appointment as *fondé de pouvoir* and agrees to take, receive and hold the rights and hypothec created hereby and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder or by a Bondholder's Instrument, as provided in Section 8.

2.4 Waiver

To the extent necessary or useful, the parties hereby waive the application of Section 32 of *An Act Respecting the Special Powers of Legal Persons*, R.S.Q., c. P-16 and of Articles 1310 and 2147 of the *Civil Code of Québec*.

3. FORM AND ISSUE OF BONDS

3.1 Maximum Amounts

The aggregate principal amount of Bonds which may be issued and outstanding under and secured by this Deed of Hypothec from time to time is limited to Two Hundred Million Dollars

(CDN\$200,000,000.00) and such Bonds shall be designated as "Collateral Bonds".

3.2 Form of Bonds

The Bonds and the certificate of the Attorney shall be respectively substantially in the form set forth in the Second Schedule of this Deed of Hypothec, with such omissions, insertions and variations as are required.

3.3 Characteristics of Bonds:

The Bonds:

- (a) may be issued as fully registered Bonds;
- (b) may be issued in any denomination and shall be dated the date of issue;
- (c) shall be payable on demand;
- (d) shall bear interest before and after default, from their date, at the rate of twenty-five percent (25%) per annum calculated half-yearly and not in advance, with interest on all overdue interest calculated at the same rate and in the same manner as the principal thereof, from the due date until the date of payment;
- (e) shall be payable in lawful money of Canada to the registered Holder of the Bonds at the address given to the Attorney from time to time by the Bondholders;
- (f) shall be signed for and on behalf of and in the name of the Grantor by any officer, director or authorized representative of the Grantor;
- (g) shall be certified by the Attorney and delivered by it to or to the order of the Grantor upon receipt by the Attorney of a written delivery order signed by any officer, director or representative of the Grantor;
- (h) shall rank equally and be equally and ratably secured notwithstanding the date of their issuance or the date of their certification by the Attorney.

3.4 Certification of Bonds

The certification by the Attorney of any of the Bonds shall be conclusive evidence that the Bonds so certified have been issued as contemplated hereunder. However, such certification shall not be construed as a representation or warranty by the Attorney as to the validity of the security, of the Deed or of the Bonds and the Attorney shall in no respect be liable or answerable for the use of said Bonds or any of them or the proceeds thereof.

3.5 Pledge of the Bonds

The Bonds may be hypothecated, pledged and delivered by the Grantor as security for its obligations pursuant to the Pledge Agreement provided however that any such Bonds shall not be redeemed by reason of the account of the Grantor having ceased to be indebted while the Bonds remain so hypothecated. If any Bond is issued to provide security as aforesaid and is subsequently returned to the Grantor after having served such purpose, the Grantor shall be entitled to reissue in the place and stead of the Bonds so returned other Bonds, the whole under reserve of the provisions of this Deed of Hypothec dealing with the aggregate outstanding principal amount of Bonds which may be issued under the terms hereof.

3.6 Evidence of Ownership

The Grantor and the Attorney may treat the registered holder of any Bonds as the owner thereof without actual production of such Bond for the purpose of any request, requisition, direction, consent, instrument or other document.

3.7 Bonds' Register

At all times while any of the Bonds issued hereunder are outstanding, the Grantor shall cause the Attorney to keep a register at the Attorney's office in which shall be entered the names and addresses of the Holder or Holders of Bonds, as well as the names and addresses of the person or persons who have obtained from a registered holder an undivided interest in any such Bond or Bonds and of which the Attorney shall have received written notice from such registered Holder, as of and from the date of such notice. Failure of any registered Holder to notify the Attorney as aforesaid or failure of the Attorney to inscribe such undivided interest in the register shall not, under any circumstances, deprive such undivided owner of any of its rights.

3.8 Issue of Bonds

Notwithstanding anything to the contrary herein, all Bonds issued hereunder may be held by and registered in the name of the Attorney, in its capacity as Administrative Agent, mandatary, agent and custodian for and on behalf of the Creditors. Such register shall prove the ownership of the Bonds. The Bondholders and the Grantor may examine this register during normal business hours on such days as the Attorney's office is required by law to remain open.

3.9 Replacement of Bonds

If a Bond becomes mutilated, lost or destroyed, the Grantor, in its sole discretion, may issue, and the Attorney shall thereupon certify and deliver, a new Bond of like date and tenor in replacement and upon cancellation of the one mutilated, lost or destroyed. The

applicant for a new Bond, in case of loss or destruction, shall furnish to the Attorney such evidence of ownership and indemnity and of such loss or destruction as shall be satisfactory to the Attorney and to the Grantor.

3.10 Transfer of Bonds

The Attorney shall, upon surrender to it of any Bonds that have been transferred, cause to be entered in the aforesaid Bonds' register the name of the transferees as being registered Bondholder and shall remit such Bonds to the transferees or, as the case may be, upon cancellation of the Bonds surrendered to it, deliver new Bonds in lieu and substitution thereof.

In the event of substitution or change of Attorney, any Bond issued to the previous Attorney may be reissued to the new Attorney (subject to the cancellation of the existing Bonds), and shall for purposes of any pledge of such Bond, be considered to be the same Bond.

4. HYPOTHEC

4.1 As security for the payment of the Bonds and all sums which may be due to the Attorney or to the Bondholders hereunder (including, without limitation and if permitted by law, the remuneration of the Attorney and costs incurred by it in the execution of its duties and powers hereunder) as well as to secure the fulfillment of the obligations of the Grantor hereunder (collectively, the "Obligations"), the Grantor hereby hypothecates to and in favour of the Attorney to the extent of the Hypothec Amount with interest thereon at the Interest Rate, both before and after maturity, demand, default and judgement, the following property of the Grantor, wherever situate, and all renewals thereof, accretions thereto, replacements thereof and substitutions therefor, as well as everything united thereto by accession (herein collectively referred to as the "Charged Property"):

- 4.1.1 the Immovables;
- 4.1.2 the Rents;
- 4.1.3 the Leases;
- 4.1.4 the Claims;
- 4.1.5 the Documents of Title;
- 4.1.6 the Proceeds;
- 4.1.7 the Records;
- 4.1.8 the Monies;
- 4.1.9 the Securities;

- 4.1.10 the Insurance;
 - 4.1.11 the Intangible Property;
 - 4.1.12 the Inventory;
 - 4.1.13 the Equipment;
 - 4.1.14 the Related Property; and
 - 4.1.15 as a universality, all other corporeal and incorporeal movable and immovable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired by the Grantor.
- 4.2 Notwithstanding the hypothecation of the Charged Property provided herein:
- 4.2.1 subject to Section 6.2, the Attorney authorizes the Grantor to collect the Claims and the Rents as they fall due;
 - 4.2.2 until such time as the security created hereunder has become enforceable, nothing will prevent the Grantor from selling, disposing of or dealing with any of the Inventory or licensing any of the Intangible Property in the ordinary course of its business, the whole subject to the hypothec of the Attorney on any proceeds resulting from the disposition of any Inventory or licensing of any Intangible Property and on any rights to Inventory which are retained or reacquired at any time by the Grantor.
- 4.3 Subject to the terms and conditions of this Deed of Hypothec, the hypothec granted hereunder in favour of the Attorney shall not be extinguished, reduced, novated or otherwise affected by reason of any payments which may be made to and/or collected by the Attorney, the Administrative Agent, the Bondholders or the Creditors, directly or indirectly, from any person under any circumstances including:
- 4.3.1 payments from the Grantor or any other person;
 - 4.3.2 insurance indemnities resulting from loss of, or damage to, the whole or any portion of the Charged Property; or
 - 4.3.3 the collection of any Claims.
- 4.4 The extinction or reduction of the Obligations for any reason whatsoever shall not in any way extinguish or reduce the hypothec granted hereby and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such hypothec, to the extent not so cancelled, shall subsist with respect to any Obligations thereafter arising from time to time.

The Grantor shall be deemed to obligate itself again as provided for in Article 2797 of the *Civil Code of Québec* with respect to any future Obligation hereby secured.

4.5 If any of the Charged Property, (the "Unassigned Property") (i) may not be assigned, subleased, hypothecated, charged or encumbered without the leave, license, consent or approval of the applicable counterparty, a Governmental Authority or any other Person; (ii) may not be assigned or hypothecated without complying with stated conditions and such conditions have not been satisfied as of the date hereof; (iii) is the subject of an express prohibition against assignment or hypothecation which has not been waived as of the date hereof; or (iv) is such that, unless waived by the counterparty, the assignment or hypothecation of the same would otherwise constitute a breach or permit the acceleration or termination of such Charged Property, the hypothec created herein on any such property shall be under the suspensive condition of obtaining such leave, license, consent, approval or waiver of such express prohibition, waiver of breach or right to accelerate or terminate or of complying with such stated conditions.

4.5.1 Notwithstanding anything herein to the contrary:

- (a) The Grantor shall remain liable under the contracts included in the Charged Property to the extent set forth therein to perform all its duties and obligations thereunder to the same extent as if this Deed had not been executed;
- (b) The exercise by the Attorney of any of the rights or remedies hereunder shall not release the Grantor from any of its duties or obligations under the contracts included in the Unassigned Property;
- (c) The Attorney shall not have any obligation or liability under the contracts included in the Unassigned property by reason of this Deed nor shall the Attorney be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment charged hereunder; and
- (d) The Grantor shall obtain the necessary leaves, licenses, consents, approvals or waivers in order to validly hypothecate and assign the Charged Property.

4.6 The Attorney shall have and hold the hypothec created hereunder and all rights hereby conferred for the equal benefit and security of all the Bondholders without any preference or priority of any Bond over any Bond, by reason of priority at the time of issue or negotiation thereof or otherwise.

5. DECLARATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 The Grantor hereby makes all declarations, representations, warranties and covenants set forth in the Loan Documents, *mutatis mutandis*.

6. RIGHTS OF THE ATTORNEY

6.1 If the Grantor fails to pay when due any sum payable under this Deed of Hypothec or fails to pay or perform any of its Obligations, whether or not the Attorney has invoked any Event of Default, the Attorney may do so on the Grantor's behalf (but will not be obliged to), without notice to the Grantor, and the Grantor will pay to the Attorney, on demand, all sums so paid by the Attorney together with interest thereon as set forth in the Credit Agreement subject also to the provision of the *Interest Act* (Canada). If, for any reason, the Attorney's security or rights hereunder are diminished, the Attorney may do such things and make such expenditures as are desirable or necessary to preserve its security or rights, without notice to the Grantor, in which event the Grantor will pay to the Attorney, on demand, all sums so paid by the Attorney, together with interest thereon as set forth in the Credit Agreement subject also to the provision of the *Interest Act* (Canada), the whole without prejudice to any other recourse of the Attorney hereunder or by law.

6.2 The Attorney may, at any time after the occurrence and continuation of an Event of Default, withdraw the authorization of the Grantor to collect the Claims and/or Rents as they fall due and, thereafter, the following will apply:

6.2.1 the Attorney will be the only party authorized and entitled to collect, dispose of and deal with the Claims and/or Rents;

6.2.2 the Attorney will have the right to collect, dispose of and deal with the Claims and/or Rents as it may deem expedient including, without limiting the generality of the foregoing, to demand, sue for, enforce, recover and receive payment of the Claims and/or Rents and to compound, compromise, grant extensions, take and give up securities, accept compositions and grant releases and discharges with respect thereto, the whole without notice to the Grantor and without any liability for any loss resulting therefrom;

6.2.3 actions to enforce rights with respect to the Claims and/or Rents may be instituted by the Attorney, at its sole discretion, in its own name, in the name of the Grantor, or in the name of the Attorney and the Grantor jointly;

6.2.4 the Attorney will not be obliged to inform the Grantor of any irregularity in the payment of any of the Claims and/or Rents.

6.3 All amounts collected or received by the Grantor in respect of the Claims and/or Rents (whether prior to or after the Attorney has withdrawn the authorization of the Grantor to collect same) will be deemed to have been collected or received by the Grantor as mandatory of the Attorney and will be deposited into such bank accounts as are acceptable from time to time to the Attorney. At all times after the Attorney has withdrawn the right of the Grantor to collect the Claims and/or Rents, all amounts collected or received by the Grantor in respect thereof will be received by the Grantor in trust for the Attorney and will be remitted to the Attorney in identical form as received.

6.4 Upon the occurrence and continuation of an Event of Default and whether or not the authorization of the Grantor to collect the Claims and/or Rents has been withdrawn:

6.4.1 the Attorney shall be entitled to cancel, accept surrender of, modify, make or renew any Leases at such rentals for such periods and upon such terms and conditions as the Attorney, in its sole discretion, deems appropriate without any liability or responsibility of any nature whatsoever on the part of the Attorney to the Grantor or otherwise;

6.4.2 the Attorney shall be entitled to give good and sufficient discharge for all Rents and/or Claims collected by the Attorney, but the Attorney shall not be liable for any loss or damage resulting from non-collection thereof, any irregularity in the payment thereof or any failure to inform the Grantor of such non-collection or irregularity other than if due to the Attorney's intentional or gross fault;

6.5 The Attorney shall have the right to enforce in its name as Attorney hereunder the hypothec and other rights created herein.

7. DEFAULTS AND RECOURSES

7.1 The Grantor shall be in default in each and every one of the following events:

7.1.1 upon the occurrence of an Event of Default as defined in the Credit Agreement;

7.1.2 if the Grantor fails to pay, when due, any amounts owing under the Bonds;

7.1.3 if any or all other Obligations are not paid or performed when due;

7.1.4 if any one of the declarations, representations or warranties made in Section 5 prove to have been erroneous or

inaccurate in any material respect at the time it was made or deemed to have been made; or

7.1.5 if the Grantor does not fulfill any one of its obligations or covenants hereunder.

7.2 Upon the Grantor's default under Section 7.1 hereof which is continuing, the Attorney may exercise the rights and remedies provided in the Credit Agreement. Upon such default, the Attorney may also exercise the remedies and recourses available to it under applicable law and realize on its hypothec, namely by enforcing the hypothecary rights provided for in the *Civil Code of Québec* and hereunder and, at the option of the Attorney, the Grantor will lose the benefit of any term for payment granted and all obligations of the Grantor under the Bonds and hereunder will become immediately due and payable and the Grantor will, without the necessity of demand or notice (other than as may be strictly required by law) immediately pay and fulfill such obligations of the Grantor, failing which, in addition to all hypothecary rights and other remedies and recourses presently or in the future available under law:

7.2.1 the Attorney may immediately take proceedings for the execution of all or any portion of the Obligations; and

7.2.2 upon demand by the Attorney, the Grantor will surrender and abandon the Charged Property, or the part thereof specified by the Attorney, to the Attorney or such person as may be designated by the Attorney, or will consent in writing to turn such property over to the Attorney or such person as may be designated by the Attorney at the time and place specified by the Attorney.

7.3 Administration after Surrender

In the event that the Attorney obtains the surrender of the whole or any portion of the Charged Property and until such time as such Charged Property is restored to the Grantor or, as regards any portion thereof, the Attorney has concluded a recourse by way of taking in payment, sale by the Attorney, sale under judicial authority or otherwise, or in the event that the Attorney collects any Rents and/or Claims, then, notwithstanding any provision of law to the contrary which may apply as a result of the Attorney having acquired or being deemed to have acquired simple, full or any other administration of the whole or any portion of the Charged Property:

7.3.1 the Attorney will be entitled to delegate the whole or any part of the administration of any Charged Property (including without limitation, the exercise of all discretionary powers) to such person(s) as the Attorney may designate or re-designate in the Attorney's sole discretion (any such person being herein referred to as an "Administrator");

- 7.3.2 the Attorney and any Administrator will be entitled to reimbursement of all reasonable costs and expenses (including, without limitation, all reasonable costs, expenses and reasonable fees incurred by any attorneys or other persons engaged by the Attorney or the Administrator in order to assist in such administration or any matter pertaining thereto), as well as all reasonable fees of the Attorney and the Administrator incurred in such administration, all of which may be charged by the Attorney against any fruits, revenues or proceeds of alienation of the whole or any portion of the Charged Property;
- 7.3.3 subject to Section 7.6 below, the Attorney or the Administrator shall be entitled, under any circumstances (even if they have only simple administration of such Charged Property) and in such manner as the Attorney or the Administrator deems, in its sole discretion, appropriate, to alienate such Charged Property by onerous title;
- 7.3.4 the Attorney will be entitled to acquire the whole or any portion of any Charged Property alienated by onerous title in the course of any administration thereof;
- 7.3.5 In the event that the Attorney or the Administrator acquires full administration of any Charged Property, neither the Attorney nor the Administrator will be under any obligation whatsoever to make such Charged Property productive, increase such Charged Property or the value thereof or appropriate such Charged Property to any purpose other than fulfillment of the Obligations;
- 7.3.6 the Attorney and the Administrator will be entitled to use for their own benefits any information which either of them may obtain by reason of their administration of the whole or any portion of the Charged Property;
- 7.3.7 the Attorney and the Administrator will be entitled, whether or not for value, to renounce to any right affecting, benefiting, pertaining to and/or forming part of any Charged Property administered by either of them;
- 7.3.8 neither the Attorney nor the Administrator will be obliged, in any manner whatsoever, to prepare any inventory of any Charged Property, insure any Charged Property or give any security for any Charged Property or their administration thereof. Should the Attorney or the Administrator, in its sole discretion, insure the whole or any portion of any Charged Property, the costs and expenses of any insurance shall form part of the costs and expenses referred to in subparagraph 7.3.2 hereof;
- 7.3.9 the Attorney and the Administrator may change the destination of the whole or any portion of any Charged Property under their administration and will not be bound to

continue the use or operation of any Charged Property under their administration which produces fruits or revenues;

- 7.3.10 notwithstanding any provisions of law to the contrary, the Attorney and the Administrator will only be obliged to render an account to the Grantor upon the written request of the Grantor and once the Attorney or Administrator has determined, to its satisfaction, the details of such account.

7.4 Taking In Payment

In the event that the Attorney exercises its right to become the absolute owner of the Charged Property or any part thereof, the Grantor, concurrently with the surrender or at any time thereafter at the request of the Attorney, will sign a voluntary deed or agreement providing for the Attorney to take in payment the Charged Property or any part thereof. In the event that the Grantor requires the Attorney to sell any such Charged Property, the Grantor acknowledges that the Attorney will not be required to abandon its recourse of taking in payment unless, before the expiration of the delay to surrender, the Attorney: (i) shall have been furnished with security guaranteeing that the Charged Property in question will be sold at a sufficiently high price for the Attorney to be paid the amounts secured hereunder in full; (ii) shall have been reimbursed the costs it has incurred; and (iii) shall have been advanced all amounts necessary for the sale of the Charged Property in question.

- 7.5 All expenditures and improvements made by any holder of the Charged Property and all payments made on account of the Obligations and the accessories thereof will belong to the Attorney. The Attorney will not be obliged to compensate or indemnify the Grantor or any other person for any cause whatsoever.

7.6 Sale of Charged Property

In the event that the Attorney exercises its right to sell the whole or any portion of the Charged Property by judicial authority or pursuant to a sale by the Attorney, the following will apply:

- 7.6.1 such Charged Property may be sold subject to and upon such terms and conditions (including, without limitation, terms extending credit) by way of one (1) or more sales by private agreement, call for tenders or auction or combinations thereof as the Attorney or the Administrator sees fit and the Attorney or the Administrator may, at any time, change or substitute any method of sale for any other method of sale of such Charged Property;
- 7.6.2 notwithstanding any provision of law to the contrary, in any call for tenders, the Attorney or Administrator, acting reasonably, will not be obliged to accept the highest offer or any offer and, in the event that no offer is accepted, may

proceed to sell such Charged Property by any other method;

7.6.3 the Grantor expressly agrees that the Attorney will not be required to obtain or present to the Court any appraisals of such Charged Property and that such Charged Property may be sold without any upset price therefor; and

7.6.4 the Attorney may purchase all or any portion of the Charged Property and the Attorney is hereby expressly permitted to retain the purchase price of same, up to the amount of the Obligations.

7.7 Remedies relating to intellectual property

For the purpose of enabling the Attorney to exercise rights and remedies under this Section (including, without limiting the terms of this Section, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of the Charged Property) at such time as the Attorney shall be lawfully entitled to exercise such rights and remedies, the Grantor hereby grants to the Attorney, for its benefit, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any intellectual property now owned or hereafter acquired by the Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

7.8 Furthermore, upon the occurrence of an Event of Default which is continuing, the Grantor hereby irrevocably constitutes and appoints the Attorney as the mandatary of the Grantor with power of substitution in the name of the Grantor to execute and deliver all such agreements, documents and instruments as the Attorney, in its sole discretion, considers necessary or desirable, including without limitation to execute and file or register with the Canadian Intellectual Property Office any and all documents required to transfer title in and to any of the intellectual property in the name of the Grantor or to take any step appropriate for the preservation or protection of any of the intellectual property for the benefit of the Attorney.

8. POWERS OF BONDHOLDERS

8.1 Subject to the provisions of the Credit Agreement, the Bondholders either directly or through an authorized agent or mandatary, when authorized by a Bondholder's Instrument, may exercise in a manner not inconsistent with the Credit Agreement any one or more of the following powers:

8.1.1 power to agree to any modification, abrogation, compromise or arrangement of the rights of the Bondholders and/or the Attorney against the Grantor or

against its undertaking, property and assets or any part thereof, whether such rights arise under this Deed of Hypothec or the Bonds or otherwise, provided however that the Attorney may decline to agree, in its sole discretion, to any modification, abrogation, alteration, compromise or arrangement which would adversely affect its rights;

- 8.1.2 power to direct or authorize the Attorney to exercise any power, right, remedy, recourse or authority given to it by this Deed of Hypothec in any manner specified by the Bondholders or to refrain from exercising any such power, right, remedy, recourse or authority;
- 8.1.3 power to waive and to direct the Attorney to waive any default on the part of the Grantor to comply with any provision of this Deed of Hypothec or the Bonds either unconditionally or upon any conditions specified by the Bondholders, whether or not the security under this Deed of Hypothec shall have become enforceable by reason of such default;
- 8.1.4 power to authorize the Grantor to sell or otherwise dispose of all or part of the Charged Property and to instruct the Attorney to release the same free from the hypothec created under this Deed of Hypothec, all upon such terms and conditions as may be specified by the Bondholders;
- 8.1.5 assent to any compromise or arrangement with any creditor or creditors of the Grantor;
- 8.1.6 assent to any modification of or addition to the provisions of this Deed of Hypothec in a manner not inconsistent with the Credit Agreement;
- 8.1.7 grant any approval or consent herein provided to be given by the Bondholders or make any determination herein provided to be made by the Bondholders;
- 8.1.8 sanction any scheme of reorganization, consolidation, merger or amalgamation of the Grantor on such terms as may be specified by the Bondholders; and
- 8.1.9 sign such other deeds, instruments or take such other action or refrain from taking any action as may be specified by the Bondholder.

9. POWER OF ATTORNEY

- 9.1 The Grantor hereby absolutely and irrevocably constitutes and appoints the Attorney as the Grantor's true and lawful agent and attorney-in-fact, with full power of substitution, in the name of the Grantor upon the occurrence and during the continuation of an Event of Default:

- 9.1.1 to execute and do all such assurances, acts and things which the Grantor ought to do but has failed to do under the covenants and provisions contained in this Deed of Hypothec;
- 9.1.2 to take any and all such action as the Attorney or any of its sub-agents, nominees or attorneys may, in its or their sole and absolute discretion, reasonably determine as necessary or advisable for the purpose of maintaining, preserving or protecting the security constituted by this Deed of Hypothec or any of the rights, remedies, powers or privileges of the Attorney under this Deed of Hypothec; and
- 9.1.3 generally, in the name of the Grantor, to exercise all or any of the powers, authorities, and discretions conferred on or reserved to the Attorney by or pursuant to this Deed of Hypothec, and (without prejudice to the generality of any of the foregoing) to seal and deliver or otherwise perfect any deed, assurance, agreement, instrument or act as the Attorney may deem proper in or for the purpose of exercising any of such powers, authorities or discretions. The Grantor hereby ratifies and confirms, and hereby agrees to ratify and confirm, whatever lawful acts the Attorney or any of the Attorney's sub-agents or attorneys shall do or purport to do in the exercise of the power of attorney granted to the Attorney pursuant to this Section 9, which power of attorney, being given for security, is irrevocable.

10. GENERAL PROVISIONS

- 10.1 The security created hereunder is in addition to and not in substitution for any other security now or hereafter held by or for the benefit of the Attorney or the Creditors and shall not be diminished or novated or otherwise affected by any other security or any promissory note or other evidence of indebtedness which the Attorney or the Creditors or any party for the benefit of the Attorney or the Creditors may have or obtain from the Grantor or any other person, nor shall any other security or note or evidence of indebtedness be diminished or novated or otherwise affected hereby.
- 10.2 The security hereby granted will remain in full force and effect for the full Hypothec Amount until such time as an express written discharge is executed by the Attorney and delivered to the Grantor.
- 10.3 Any sum collected by the Attorney in the exercise of its rights may be held by the Attorney as Charged Property or subject to the Credit Agreement may be applied to the payment of the Obligations, whether or not yet due.

10.4 The Attorney shall not be bound to exercise its rights resulting from the present Deed of Hypothec and shall not be responsible for the non-exercise of such rights.

10.5 No delay or failure on the part of the Attorney in exercising any right or remedy hereunder shall affect such right or remedy, nor shall any single or partial exercise hereof preclude any further exercise thereof or the exercise of any other right or remedy. Any waiver by the Attorney of any of its rights or remedies hereunder will be valid only if express and in writing. In no event will the Attorney's acceptance, after the full payment or performance of the Obligations may have become due and payable, of any partial payment or performance, be deemed to alter or affect the Attorney's rights with respect to any subsequent payment or default thereon. Moreover, should the Attorney grant or tolerate any extension or delay for payment or performance of any obligations of the Grantor, such extension, delay, indulgence or tolerance will not be deemed an acquiescence by the Attorney in such default or waiver of any of the Attorney's rights and remedies hereunder or in respect of any future default.

The different recourses of the Attorney hereunder are cumulative and not alternative. The rights and remedies of the Attorney hereunder are in addition to every other right and remedy now or hereafter existing in favour of the Attorney, whether by law or otherwise.

10.6 The Attorney may delegate to another person the exercise of its rights or the performance of its Obligations resulting under this Deed of Hypothec. In such a case, the Attorney may provide that person with any information it may have concerning the Grantor or the Charged Property.

10.7 The present Deed of Hypothec shall bind the Grantor and its successors and assigns towards the Attorney and towards any successor or assign of the Attorney.

10.8 Any notice, request or other communication hereunder to any party hereto in connection with the present Deed of Hypothec shall be well and sufficiently given if given in accordance with the notice provisions of the Credit Agreement.

10.9 The hypothec granted herein shall be and have effect whether or not the moneys thereby secured shall be received before or after or at the same time as the issue of any of the Bonds intended to be thereby secured or any part thereof, or before or after, or upon the date of the execution of this Deed of Hypothec. The hypothec granted herein shall be valid and shall subsist notwithstanding that the Bonds, or any of them, may not have been issued at the date hereof and shall be valid and shall secure all obligations of the Grantor under any Bonds hereafter issued, including any Bonds issued in replacement or exchange of any of the Bonds, in whole or in part. The extinction or reduction of such obligations for any reason whatsoever shall not in any way extinguish or reduce the

hypothec granted herein and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such hypothec granted herein, to the extent not so cancelled, shall subsist with respect to any Obligations thereafter incurred by the Grantor from time to time.

10.10 In the event of any inconsistency between the terms of this Deed of Hypothec and the Credit Agreement with respect to any matter specifically dealt with in both herein and therein, the provisions of the Credit Agreement will govern, unless as a result thereof the hypothec created herein or any of the hypothecary remedies of the Attorney hereunder would be in any way diminished or invalidated, in which case the provisions of this agreement will prevail.

10.11 This Deed of Hypothec shall be governed by and interpreted in accordance with the laws of the Province of Québec. Without prejudice to the rights of the Attorney, the Grantor expressly submits and consents to the exclusive jurisdiction of the Courts of the Province of Québec, with respect to any controversy arising out of or relating to this Deed of Hypothec, or any supplement hereto.

10.12 The hypothec granted herein shall be governed by the laws of the Province of Québec and the federal laws of Canada applicable in the Province of Québec and the Attorney shall have all hypothecary rights and recourses provided for in the *Civil Code of Québec*. In addition to the rights and recourses of the Attorney provided hereunder, in the event the security interest created under Section 4 is registered in another jurisdiction, the Attorney may also exercise all rights and remedies of a secured party under the laws in effect in such jurisdiction.

10.13 The parties acknowledge that they have required that this Deed of Hypothec and the Bonds and all related documents be prepared in English. Les parties reconnaissent avoir exigé que le présent Acte d'hypothèque et tous les documents connexes soient rédigés en anglais.

FIRST SCHEDULE OF THE DEED OF HYPOTHEC

DESCRIPTION OF IMMOVABLE PROPERTY(IES)

The Immovable(s) is/are the following:

An emplacement known and designated as lot number TWO MILLION FIVE HUNDRED TWENTY-EIGHT THOUSAND TWO HUNDRED AND THIRTY-FIVE (2 528 235) of the Cadastre of Quebec, Registration Division of Montreal.

Together with the Buildings thereon erected bearing civic number 325 Avro Avenue, Pointe-Claire, Quebec, H9R 5W3.

SECOND SCHEDULE OF THE DEED OF HYPOTHEC

FORM OF BOND

CANADA
PROVINCE OF QUÉBEC

Collateral Bond

NO. 1

\$200,000,000.00

INDALEX LIMITED ("Issuer"), for value received, promises to pay, on demand, to JPMORGAN CHASE BANK, N.A. ("Attorney") in its capacity as agent, mandatary and custodian on behalf and for the benefit of the Creditors (as such term is defined in the Deed of Hypothec to which reference is made hereinafter) or registered assigns, at the Attorney's office situated at One Chase Manhattan Plaza, 8th Floor, New York, New York, 10081, U.S.A., or at other such location which the Attorney may designate by notice to the Issuer, the principal sum of TWO HUNDRED MILLION DOLLARS (CDN\$200,000,000.00) in lawful money of Canada and to pay interest thereon, on demand, from the date of this Bond, both before and after a default, in like money, at the rate of twenty-five percent (25%) per annum, calculated half-yearly and not in advance, with interest on all overdue interest calculated at the same rate and in the same manner as the principal hereof, from the due date until the date of payment.

This Bond is issued under and secured by a Deed of Hypothec dated February 2, 2006 executed by the Issuer in favour of the Attorney ("Deed of Hypothec"), as the person holding the power of attorney (*fondé de pouvoir*) of the Creditors in accordance with Article 2692 of the *Civil Code of Québec*, as modified, extended, replaced, amended, renewed, supplemented, restated or continued from time to time ("Deed of Hypothec"), to which Deed of Hypothec reference is hereby made for the terms and conditions upon and subject to which this Bond is issued and held and the nature and extent of the security therefor.

This Bond is subject to the terms and conditions of the Deed of Hypothec. The holder of this Bond by its acceptance hereof assents to such terms

and conditions. The Bond is also subject to the terms and conditions of the Pledge Agreement entered into between the Issuer and the holder hereof.

This Bond is fully registered and may be transferred by the holder upon compliance with the provisions of the Deed of Hypothec. This Bond shall be certified as provided for in the Deed of Hypothec.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed and dated the ____ day of _____, 20__.

INDALEX LIMITED

per: _____

CERTIFICATE

This Bond is Collateral Bond number ____ issued under the Deed of Hypothec.

Date of Certification: _____, 20__.

JPMORGAN.CHASE BANK,
N.A.

Per: _____

FORM OF TRANSFER

FOR VALUE RECEIVED, _____ by these presents cedes and transfers to _____ the Bond issued by _____ ("Issuer") to _____ ("Attorney") for the principal sum of _____ DOLLARS (\$ _____) in lawful money of Canada pursuant to a Deed of Hypothec executed by the Issuer in favour of the Attorney dated _____, with full power of substitution, as well as all its rights thereunder and the principal amount and outstanding interest on the Bond and irrevocably appoints the Attorney as its attorney to complete the transfer on the register maintained by the Attorney pursuant to the Deed of Hypothec.

Dated: _____

Witness:

Signed by:

WHEREOF ACTE:

THUS DONE AND PASSED at the City of Montréal and remains of record under the minute five hundred and thirty-six (536) of the undersigned Notary.

AND AFTER the parties hereto had declared to have taken cognisance of these presents and to have exempted the said Notary from reading them or causing them to be read, the parties signed these presents in the presence of the undersigned Notary.

JPMORGAN CHASE BANK, N.A.

Per: 
Beatrice VAN RUTTEN

INDALEX LIMITED

Per: 
Yannick BEAUDOIN


Mire. Stephanie GRONDIN, Notary

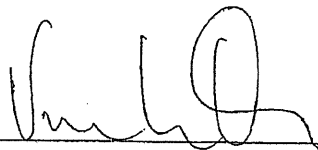
True copy of the original hereof
remaining of record in my office





ÉTAT CERTIFIÉ D'INSCRIPTION
D'ADRESSE
AU REGISTRE FONCIER DU QUÉBEC

Je certifie que la réquisition présentée le 2006-02-02 à 12:01 a été inscrite au Livre foncier de la circonscription foncière de Montréal sous le numéro 6 249 070.



Officier adjoint de la publicité foncière

Identification de la réquisition

Bénéficiaire : JPMorgan Chase Bank, N.A., Toronto Branch
Numéro d'inscription visé : 13 033 043 Droit visé : Hypothèque : Universalité d'immeuble

2006 -02- 0 2 ^{12h01} _{heure-minute}

0 249 070
(13 033 043)

NOTICE OF ADDRESS

To: The Land Registrar

Sirs,

Please take notice that the creditor holding the immovable hypothec in virtue of a Deed of Hypothec registered in your Office on February 2, 2006 under the number _____, is the following:

JPMorgan Chase Bank, N.A., Toronto Branch
200 Bay Street, 18th Floor
Royal Bank Plaza, South Tower
Toronto, Ontario
M5J 2J2

Attention: Amanda Vidulich, Account Manager

Phone: 416.981.9235

Fax: 416.981.9128

In accordance with article 3022 of the *Civil Code of Québec*, the creditor requires you to enter its address in the appropriate register in order that it may be notified, according to law, of events that may affect his its rights.

The following is the immovable affected:

DESCRIPTION

An emplacement known and designated as lot number TWO MILLION FIVE HUNDRED TWENTY-EIGHT THOUSAND TWO HUNDRED AND THIRTY-FIVE (2 528 235) of the Cadastre of Quebec, Registration Division of Montreal.

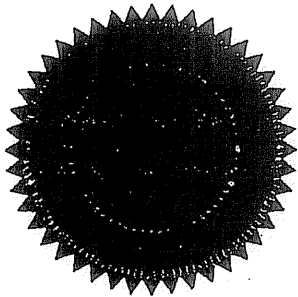
Together with the Buildings thereon erected bearing civic number 325 Avro Avenue, Pointe-Claire, Quebec, H9R 5W3.

And I have signed at Montreal on February 2, 2006



Mtre. Stéphanie GRONDIN, Notary

Blank
Divider
Sheet



DEED OF HYPOTHEC

ON the Second (2nd) day of February, in the year Two Thousand And Six (2006).

BEFORE M^{re} Stéphanie GRONDIN, the undersigned Notary for the Province of Québec, practising in the City of Montréal.

A P P E A R E D :

JPMORGAN CHASE BANK, N.A. a bank, having a place of business at One Chase Manhattan Plaza, 8th Floor, New York, New York, 10081 U.S.A., herein acting in its capacity as *fondé de pouvoir* under Article 2692 of the *Civil Code of Quebec* and represented by Beatrice VAN RUTTEN, its mandatary, duly authorized by and in virtue of a Power of Attorney ("Mandate") dated January 23, 2006, a copy of which is hereto annexed and signed for identification by the said representative and the undersigned Notary.

(hereinafter referred to as the "Attorney")

A N D :

6461948 CANADA INC., a Canadian corporation, having a place of business at 5675 Kennedy Road, Mississauga, Ontario, L4Z 2H9, herein acting and represented by Yannick BEAUDOIN, its mandatary, duly authorized for the purposes hereof in virtue of a resolution adopted by the Board of Directors on February 2, 2006 a certified or duplicate copy of which is hereto annexed and signed for identification by the said representative and the undersigned Notary.

(hereinafter referred to as the "Grantor")

WHICH PARTIES HAVE DECLARED AS FOLLOWS:

WHEREAS the Grantor has entered into the "Credit Agreement" (as hereinafter defined) with the Attorney and others;

WHEREAS, pursuant to the *Civil Code of Québec*, the Grantor wishes to grant a hypothec on the "Charged Property" (as hereinafter defined);

WHEREAS, Article 2692 of the *Civil Code of Québec* permits the granting of a hypothec securing payment of bonds or other titles of indebtedness in favour of the person holding the power of attorney (*fondé de pouvoir*) of all or certain creditors;

WHEREAS, pursuant to the Credit Agreement and herein, the Attorney is designated and appointed as *fondé de pouvoir* with the authority to enter into a deed of hypothec under Article 2692 of the *Civil Code of Québec*;

WHEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 In this Deed of Hypothec:

- 1.1.1 **"Administrative Agent"** shall have the meaning attributed to it in the Credit Agreement;
- 1.1.2 **"Administrator"** shall have the meaning attributed to it in Section 7.3.1;
- 1.1.3 **"Attorney"** means JPMorgan Chase Bank, N.A. appointed herein pursuant to Section 2.1 hereof and in the Credit Agreement as *fondé de pouvoir* for the Bondholder, and acting in its capacity as the person holding the power of attorney (*fondé de pouvoir*) of all or certain creditors, as contemplated by Article 2692 of the *Civil Code of Québec* and shall include its successors and assigns appointed pursuant to the provisions hereof and under the Credit Agreement;
- 1.1.4 **"Bondholder"** or **"Holder"**, means any person entered as a holder of Bonds in the register maintained for that purpose by the Attorney including, without limitation, as set forth in Section 3.7 hereof;
- 1.1.5 **"Bondholder's Instrument"** means at any time a document signed by the Bondholder;
- 1.1.6 **"Bonds"** means the bonds which have been or may be issued hereunder and which are outstanding from time to time;
- 1.1.7 **"Buildings"** means all buildings and other constructions now or hereafter erected upon the Immovables;
- 1.1.8 **"Canadian Security Agreement"** means the Canadian Security Agreement date as of February 2, 2006, among Indalex Holding Corp., 6461948 Canada Inc., the Subsidiary Loan Parties identified therein and JPMorgan Chase Bank, N.A. as Administrative Agent and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof;
- 1.1.9 **"Charged Property"** shall have the meaning attributed to it in Section 4.1;
- 1.1.10 **"Claims"** means, collectively, all accounts receivable, book accounts, book debts, debts, claims, rentals, revenues, incomes, royalties, loans receivable, demands, rebates, refunds, amounts owing by or claimable from the crown, state or government or any departments, agents or

agencies thereof which now are or which may at any time hereafter be due or owing to or owned by the Grantor or in which the Grantor now or hereafter has any other interest and all security interests, hypothecs, assignments, guarantees, bills of exchange, notes, negotiable instruments, contracts, invoices, books of account, letters of credit and other documents and rights now held or owned or which may be hereafter held or owned by the Grantor or any third party on behalf of the Grantor in respect of any of the foregoing and all rights of an unpaid vendor, including rights to merchandise returned, repossessed or recovered;

- 1.1.11 "**Collateral Bonds**" shall have the meaning attributed to it in Section 3.1;
- 1.1.12 "**Credit Agreement**" means the Credit Agreement dated as of February 2, 2006, among, Indalex Holdings Finance, Inc., Indalex Holding Corp., as Parent Borrower, 6461948 Canada Inc., as Canadian Subsidiary Borrower, the Subsidiary Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and J.P. Morgan Securities Inc., as sole bookrunner and sole lead arranger, and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof;
- 1.1.13 "**Creditors**" means, collectively, the Lenders and any person which is or becomes a lender under the Credit Agreement, including their respective successors and assigns;
- 1.1.14 "**Documents of Title**" means, collectively, all documents of title, whether negotiable or non-negotiable including, without limitation, all warehouse receipts and bills of lading in which the Grantor now or hereafter has an interest;
- 1.1.15 "**Equipment**" means, collectively, all machinery, equipment, furniture, fixtures, materials, supplies, appliances, dyes, molds, tanks, vehicles, furnaces, boilers, motors, engines, accessories and tools now owned or hereafter acquired by the Grantor, whether or not the same be affixed to any immovable property or used upon or in connection therewith, together with all present and future improvements, appurtenances and accessories thereto;
- 1.1.16 "**Event of Default**" means each of the events or circumstances referred to in Section 7.1;
- 1.1.17 "**Hypothec Amount**" means the sum of Two Hundred Million Dollars (CDN\$200,000,000.00);
- 1.1.18 "**Immovables**" means, collectively, all immovable property(ies) of the Grantor now owned or hereafter

acquired including, but not limited to, the immovable property(ies) described in the First Schedule herein and any other property which becomes immovable by effect of law;

- 1.1.19 "**Insurance**" means, collectively, all insurance policies relating directly or indirectly to any of the Charged Property or any part thereof and all rights and claims under all policies of insurance of whatever nature including, without limitation, under life insurance policies and under insurance against loss or damage;
- 1.1.20 "**Intangible Property**" means, collectively, all incorporeal property now owned or hereafter acquired by the Grantor or its interest therein and all intellectual property, patents and patents pending, registered and unregistered trademarks, trade or brand names, trade styles, service marks, copyrights, industrial designs, formulae, processes, trade secrets, goodwill, contractual rights, licences and permits;
- 1.1.21 "**Interest Rate**" means twenty-five percent (25%) per annum;
- 1.1.22 "**Inventory**" means, collectively, all property in stock and inventory now owned and hereafter acquired by the Grantor including, without limitation, all raw materials, goods in process, finished goods, goods in transit and all packaging and shipping materials and all materials and merchandise procured for the manufacture or production thereof and all goods, wares and merchandise held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor;
- 1.1.23 "**Loan Documents**" means, collectively, the Credit Agreement and the Canadian Security Agreement;
- 1.1.24 "**Leases**" means, collectively, all present and future leases, offers to lease, sub-leases and other agreements relating to the occupancy, use or enjoyment of the whole or any portion of the Immovables and "**Lease**" means any one of them;
- 1.1.25 "**Monies**" means, collectively, all monies, cash, foreign currencies and credits in which the Grantor now or hereafter has an interest;
- 1.1.26 "**Obligations**" shall have the meaning attributed to it in Section 4.1;
- 1.1.27 "**Permitted Charges**" means, collectively, the following:

- (a) the security presently existing or hereafter created in favour or for the benefit of the Creditors and/or the Attorney;
 - (b) "Permitted Encumbrances" as that expression is defined in the Credit Agreement;
- 1.1.28 "**Pledge Agreement**" means the agreement entered into by the Grantor in conjunction with the Credit Agreement pursuant to which the Bonds are pledged in favour of the Attorney and the Creditors;
- 1.1.29 "**Proceeds**" means, collectively, all property in any form derived directly or indirectly from any dealings with any of the Charged Property;
- 1.1.30 "**Records**" means, collectively, all computer programs, firmware and software and all computer and other records, data and all access codes relating to any of the foregoing, whether in hard copy or otherwise, pertaining to any of the Charged Property and the equipment containing same;
- 1.1.31 "**Related Property**" means the following: (a) any indemnity or proceeds of expropriation or reimbursement of all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable in respect of any of the Charged Property as well as any and all interest thereon and penalties imposed in respect thereof now or hereafter payable; and (b) any present and future rights whatsoever attached to the Immovables or any other Charged Property, as well as all present and future fruits and revenues thereof;
- 1.1.32 "**Rents**" means any and all present and future rents, income, revenues and/or any other amounts produced by or in respect of the Immovables including, for greater certainty, any and all amounts owing and to become owing by any lessee or other person under any Lease as well as all present and future claims and security therefor and rights to collect and receive same; and
- 1.1.33 "**Securities**" means, collectively, all shares, stocks, warrants, bonds, debentures, debenture stock, and other securities in which the Grantor now or hereafter has an interest.
- 1.2 All capitalized terms and expressions used but not defined herein shall have the same meaning as that ascribed to them in the Credit Agreement.
- 1.3 Any word herein contained in the singular number will include the plural; any word importing any gender will include the masculine, feminine and neuter genders; any word importing a person will

include a corporation, a partnership and any other entity and vice-versa. The headings of this Deed of Hypothec are for convenience of reference only and shall not affect in any manner any of the terms and conditions hereof or the construction or interpretation of this Deed of Hypothec.

- 1.4 All references to dollar amounts, unless expressly otherwise provided, are expressed in terms of the lawful currency of Canada.

2. APPOINTMENT OF THE FONDÉ DE POUVOIR

2.1 Appointment of the Fondé de Pouvoir

Pursuant to the Credit Agreement, the Attorney is designated and appointed as the *fondé de pouvoir* of the Creditors with the authority to enter into a deed of hypothec under Article 2692 of the *Civil Code of Québec* on behalf and for the benefit of the Bondholders. The Grantor hereby irrevocably appoints and confirms the appointment of the Attorney as the *fondé de pouvoir* on behalf of the present and future Bondholders.

Any person who becomes a Bondholder shall benefit from the provisions hereof and the appointment of the Attorney as *fondé de pouvoir* for the Bondholder and, upon becoming a Bondholder, irrevocably authorizes the Attorney to perform such function.

- 2.2 Each holder of a Bond, by its acceptance thereof, acknowledges that the first issue of a Bond has been or may be purchased from the Grantor by the Administrative Agent or the Attorney by underwriting, purchase, subscription or otherwise.

2.3 Acceptance of Appointment

The Attorney hereby accepts its appointment as *fondé de pouvoir* and agrees to take, receive and hold the rights and hypothec created hereby and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder or by a Bondholder's Instrument, as provided in Section 8.

2.4 Waiver

To the extent necessary or useful, the parties hereby waive the application of Section 32 of *An Act Respecting the Special Powers of Legal Persons*, R.S.Q., c. P-16 and of Articles 1310 and 2147 of the *Civil Code of Québec*.

3. FORM AND ISSUE OF BONDS

3.1 Maximum Amounts

The aggregate principal amount of Bonds which may be issued and outstanding under and secured by this Deed of Hypothec from time to time is limited to Two Hundred Million Dollars

(CDN\$200,000,000.00) and such Bonds shall be designated as "Collateral Bonds".

3.2 Form of Bonds

The Bonds and the certificate of the Attorney shall be respectively substantially in the form set forth in the Second Schedule of this Deed of Hypothec, with such omissions, insertions and variations as are required.

3.3 Characteristics of Bonds:

The Bonds:

- (a) may be issued as fully registered Bonds;
- (b) may be issued in any denomination and shall be dated the date of issue;
- (c) shall be payable on demand;
- (d) shall bear interest before and after default, from their date, at the rate of twenty-five percent (25%) per annum calculated half-yearly and not in advance, with interest on all overdue interest calculated at the same rate and in the same manner as the principal thereof, from the due date until the date of payment;
- (e) shall be payable in lawful money of Canada to the registered Holder of the Bonds at the address given to the Attorney from time to time by the Bondholders;
- (f) shall be signed for and on behalf of and in the name of the Grantor by any officer, director or authorized representative of the Grantor;
- (g) shall be certified by the Attorney and delivered by it to or to the order of the Grantor upon receipt by the Attorney of a written delivery order signed by any officer, director or representative of the Grantor;
- (h) shall rank equally and be equally and ratably secured notwithstanding the date of their issuance or the date of their certification by the Attorney.

3.4 Certification of Bonds

The certification by the Attorney of any of the Bonds shall be conclusive evidence that the Bonds so certified have been issued as contemplated hereunder. However, such certification shall not be construed as a representation of warranty by the Attorney as to the validity of the security, of the Deed or of the Bonds and the Attorney shall in no respect be liable or answerable for the use of said Bonds or any of them or the proceeds thereof.

3.5 Pledge of the Bonds

The Bonds may be hypothecated, pledged and delivered by the Grantor as security for its obligations pursuant to the Pledge Agreement provided however that any such Bonds shall not be redeemed by reason of the account of the Grantor having ceased to be indebted while the Bonds remain so hypothecated. If any Bond is issued to provide security as aforesaid and is subsequently returned to the Grantor after having served such purpose, the Grantor shall be entitled to reissue in the place and stead of the Bonds so returned other Bonds, the whole under reserve of the provisions of this Deed of Hypothec dealing with the aggregate outstanding principal amount of Bonds which may be issued under the terms hereof.

3.6 Evidence of Ownership

The Grantor and the Attorney may treat the registered holder of any Bonds as the owner thereof without actual production of such Bond for the purpose of any request, requisition, direction, consent, instrument or other document.

3.7 Bonds' Register

At all times while any of the Bonds issued hereunder are outstanding, the Grantor shall cause the Attorney to keep a register at the Attorney's office in which shall be entered the names and addresses of the Holder or Holders of Bonds, as well as the names and addresses of the person or persons who have obtained from a registered holder an undivided interest in any such Bond or Bonds and of which the Attorney shall have received written notice from such registered Holder, as of and from the date of such notice. Failure of any registered Holder to notify the Attorney as aforesaid or failure of the Attorney to inscribe such undivided interest in the register shall not, under any circumstances, deprive such undivided owner of any of its rights.

3.8 Issue of Bonds

Notwithstanding anything to the contrary herein, all Bonds issued hereunder may be held by and registered in the name of the Attorney, in its capacity as Administrative Agent, mandatary, agent and custodian for and on behalf of the Creditors. Such register shall prove the ownership of the Bonds. The Bondholders and the Grantor may examine this register during normal business hours on such days as the Attorney's office is required by law to remain open.

3.9 Replacement of Bonds

If a Bond becomes mutilated, lost or destroyed, the Grantor, in its sole discretion, may issue, and the Attorney shall thereupon certify and deliver, a new Bond of like date and tenor in replacement and upon cancellation of the one mutilated, lost or destroyed. The

applicant for a new Bond, in case of loss or destruction, shall furnish to the Attorney such evidence of ownership and indemnity and of such loss or destruction as shall be satisfactory to the Attorney and to the Grantor.

3.10 Transfer of Bonds

The Attorney shall, upon surrender to it of any Bonds that have been transferred, cause to be entered in the aforesaid Bonds' register the name of the transferees as being registered Bondholder and shall remit such Bonds to the transferees or, as the case may be, upon cancellation of the Bonds surrendered to it, deliver new Bonds in lieu and substitution thereof.

In the event of substitution or change of Attorney, any Bond issued to the previous Attorney may be reissued to the new Attorney (subject to the cancellation of the existing Bonds), and shall for purposes of any pledge of such Bond, be considered to be the same Bond.

4. HYPOTHEC

4.1 As security for the payment of the Bonds and all sums which may be due to the Attorney or to the Bondholders hereunder (including, without limitation and if permitted by law, the remuneration of the Attorney and costs incurred by it in the execution of its duties and powers hereunder) as well as to secure the fulfillment of the obligations of the Grantor hereunder (collectively, the "Obligations"), the Grantor hereby hypothecates to and in favour of the Attorney to the extent of the Hypothec Amount with interest thereon at the Interest Rate, both before and after maturity, demand, default and judgement, the following property of the Grantor, wherever situate, and all renewals thereof, accretions thereto, replacements thereof and substitutions therefor, as well as everything united thereto by accession (herein collectively referred to as the "Charged Property"):

4.1.1 the Immovables;

4.1.2 the Rents;

4.1.3 the Leases;

4.1.4 the Claims;

4.1.5 the Documents of Title;

4.1.6 the Proceeds;

4.1.7 the Records;

4.1.8 the Monies;

4.1.9 the Securities;

- 4.1.10 the Insurance;
 - 4.1.11 the Intangible Property;
 - 4.1.12 the Inventory;
 - 4.1.13 the Equipment;
 - 4.1.14 the Related Property; and
 - 4.1.15 as a universality, all other corporeal and incorporeal movable and immovable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired by the Grantor.
- 4.2 Notwithstanding the hypothecation of the Charged Property provided herein:
- 4.2.1 subject to Section 6.2, the Attorney authorizes the Grantor to collect the Claims and the Rents as they fall due;
 - 4.2.2 until such time as the security created hereunder has become enforceable, nothing will prevent the Grantor from selling, disposing of or dealing with any of the Inventory or licensing any of the Intangible Property in the ordinary course of its business, the whole subject to the hypothec of the Attorney on any proceeds resulting from the disposition of any Inventory or licensing of any Intangible Property and on any rights to Inventory which are retained or reacquired at any time by the Grantor.
- 4.3 Subject to the terms and conditions of this Deed of Hypothec, the hypothec granted hereunder in favour of the Attorney shall not be extinguished, reduced, novated or otherwise affected by reason of any payments which may be made to and/or collected by the Attorney, the Administrative Agent, the Bondholders or the Creditors, directly or indirectly, from any person under any circumstances including:
- 4.3.1 payments from the Grantor or any other person;
 - 4.3.2 insurance indemnities resulting from loss of, or damage to, the whole or any portion of the Charged Property; or
 - 4.3.3 the collection of any Claims.
- 4.4 The extinction or reduction of the Obligations for any reason whatsoever shall not in any way extinguish or reduce the hypothec granted hereby and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such hypothec, to the extent not so cancelled, shall subsist with respect to any Obligations thereafter arising from time to time.

The Grantor shall be deemed to obligate itself again as provided for in Article 2797 of the *Civil Code of Québec* with respect to any future Obligation hereby secured.

4.5 If any of the Charged Property, (the "Unassigned Property") (i) may not be assigned, subleased, hypothecated, charged or encumbered without the leave, license, consent or approval of the applicable counterparty, a Governmental Authority or any other Person; (ii) may not be assigned or hypothecated without complying with stated conditions and such conditions have not been satisfied as of the date hereof; (iii) is the subject of an express prohibition against assignment or hypothecation which has not been waived as of the date hereof; or (iv) is such that, unless waived by the counterparty, the assignment or hypothecation of the same would otherwise constitute a breach or permit the acceleration or termination of such Charged Property, the hypothec created herein on any such property shall be under the suspensive condition of obtaining such leave, license, consent, approval or waiver of such express prohibition, waiver of breach or right to accelerate or terminate or of complying with such stated conditions.

4.5.1 Notwithstanding anything herein to the contrary:

- (a) The Grantor shall remain liable under the contracts included in the Charged Property to the extent set forth therein to perform all its duties and obligations thereunder to the same extent as if this Deed had not been executed;
- (b) The exercise by the Attorney of any of the rights or remedies hereunder shall not release the Grantor from any of its duties or obligations under the contracts included in the Unassigned Property;
- (c) The Attorney shall not have any obligation or liability under the contracts included in the Unassigned property by reason of this Deed nor shall the Attorney be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment charged hereunder; and
- (d) The Grantor shall obtain the necessary leaves, licenses, consents, approvals or waivers in order to validly hypothecate and assign the Charged Property.

4.6 The Attorney shall have and hold the hypothec created hereunder and all rights hereby conferred for the equal benefit and security of all the Bondholders without any preference or priority of any Bond over any Bond, by reason of priority at the time of issue or negotiation thereof or otherwise.

5. DECLARATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 The Grantor hereby makes all declarations, representations, warranties and covenants set forth in the Loan Documents, *mutatis mutandis*.

6. RIGHTS OF THE ATTORNEY

6.1 If the Grantor fails to pay when due any sum payable under this Deed of Hypothec or fails to pay or perform any of its Obligations, whether or not the Attorney has invoked any Event of Default, the Attorney may do so on the Grantor's behalf (but will not be obliged to), without notice to the Grantor, and the Grantor will pay to the Attorney, on demand, all sums so paid by the Attorney together with interest thereon as set forth in the Credit Agreement subject also to the provision of the *Interest Act* (Canada). If, for any reason, the Attorney's security or rights hereunder are diminished, the Attorney may do such things and make such expenditures as are desirable or necessary to preserve its security or rights, without notice to the Grantor, in which event the Grantor will pay to the Attorney, on demand, all sums so paid by the Attorney, together with interest thereon as set forth in the Credit Agreement subject also to the provision of the *Interest Act* (Canada), the whole without prejudice to any other recourse of the Attorney hereunder or by law.

6.2 The Attorney may, at any time after the occurrence and continuation of an Event of Default, withdraw the authorization of the Grantor to collect the Claims and/or Rents as they fall due and, thereafter, the following will apply:

6.2.1 the Attorney will be the only party authorized and entitled to collect, dispose of and deal with the Claims and/or Rents;

6.2.2 the Attorney will have the right to collect, dispose of and deal with the Claims and/or Rents as it may deem expedient including, without limiting the generality of the foregoing, to demand, sue for, enforce, recover and receive payment of the Claims and/or Rents and to compound, compromise, grant extensions, take and give up securities, accept compositions and grant releases and discharges with respect thereto, the whole without notice to the Grantor and without any liability for any loss resulting therefrom;

6.2.3 actions to enforce rights with respect to the Claims and/or Rents may be instituted by the Attorney, at its sole discretion, in its own name, in the name of the Grantor, or in the name of the Attorney and the Grantor jointly;

6.2.4 the Attorney will not be obliged to inform the Grantor of any irregularity in the payment of any of the Claims and/or Rents.

6.3 All amounts collected or received by the Grantor in respect of the Claims and/or Rents (whether prior to or after the Attorney has withdrawn the authorization of the Grantor to collect same) will be deemed to have been collected or received by the Grantor as mandatary of the Attorney and will be deposited into such bank accounts as are acceptable from time to time to the Attorney. At all times after the Attorney has withdrawn the right of the Grantor to collect the Claims and/or Rents, all amounts collected or received by the Grantor in respect thereof will be received by the Grantor in trust for the Attorney and will be remitted to the Attorney in identical form as received.

6.4 Upon the occurrence and continuation of an Event of Default and whether or not the authorization of the Grantor to collect the Claims and/or Rents has been withdrawn:

6.4.1 the Attorney shall be entitled to cancel, accept surrender of, modify, make or renew any Leases at such rentals for such periods and upon such terms and conditions as the Attorney, in its sole discretion, deems appropriate without any liability or responsibility of any nature whatsoever on the part of the Attorney to the Grantor or otherwise;

6.4.2 the Attorney shall be entitled to give good and sufficient discharge for all Rents and/or Claims collected by the Attorney, but the Attorney shall not be liable for any loss or damage resulting from non-collection thereof, any irregularity in the payment thereof or any failure to inform the Grantor of such non-collection or irregularity other than if due to the Attorney's intentional or gross fault;

6.5 The Attorney shall have the right to enforce in its name as Attorney hereunder the hypothec and other rights created herein.

7. DEFAULTS AND RECOURSES

7.1 The Grantor shall be in default in each and every one of the following events:

7.1.1 upon the occurrence of an Event of Default as defined in the Credit Agreement;

7.1.2 if the Grantor fails to pay, when due, any amounts owing under the Bonds;

7.1.3 if any or all other Obligations are not paid or performed when due;

7.1.4 if any one of the declarations, representations or warranties made in Section 5 prove to have been erroneous or

inaccurate in any material respect at the time it was made or deemed to have been made; or

7.1.5 if the Grantor does not fulfill any one of its obligations or covenants hereunder.

7.2 Upon the Grantor's default under Section 7.1 hereof which is continuing, the Attorney may exercise the rights and remedies provided in the Credit Agreement. Upon such default, the Attorney may also exercise the remedies and recourses available to it under applicable law and realize on its hypothec, namely by enforcing the hypothecary rights provided for in the *Civil Code of Québec* and hereunder and, at the option of the Attorney, the Grantor will lose the benefit of any term for payment granted and all obligations of the Grantor under the Bonds and hereunder will become immediately due and payable and the Grantor will, without the necessity of demand or notice (other than as may be strictly required by law) immediately pay and fulfill such obligations of the Grantor, failing which, in addition to all hypothecary rights and other remedies and recourses presently or in the future available under law:

7.2.1 the Attorney may immediately take proceedings for the execution of all or any portion of the Obligations; and

7.2.2 upon demand by the Attorney, the Grantor will surrender and abandon the Charged Property, or the part thereof specified by the Attorney, to the Attorney or such person as may be designated by the Attorney, or will consent in writing to turn such property over to the Attorney or such person as may be designated by the Attorney at the time and place specified by the Attorney.

7.3 Administration after Surrender

In the event that the Attorney obtains the surrender of the whole or any portion of the Charged Property and until such time as such Charged Property is restored to the Grantor or, as regards any portion thereof, the Attorney has concluded a recourse by way of taking in payment, sale by the Attorney, sale under judicial authority or otherwise, or in the event that the Attorney collects any Rents and/or Claims, then, notwithstanding any provision of law to the contrary which may apply as a result of the Attorney having acquired or being deemed to have acquired simple, full or any other administration of the whole or any portion of the Charged Property:

7.3.1 the Attorney will be entitled to delegate the whole or any part of the administration of any Charged Property (including without limitation, the exercise of all discretionary powers) to such person(s), as the Attorney may designate or re-designate in the Attorney's sole discretion (any such person being herein referred to as an "Administratpr");

- 7.3.2 the Attorney and any Administrator will be entitled to reimbursement of all reasonable costs and expenses (including, without limitation, all reasonable costs, expenses and reasonable fees incurred by any attorneys or other persons engaged by the Attorney or the Administrator in order to assist in such administration or any matter pertaining thereto), as well as all reasonable fees of the Attorney and the Administrator incurred in such administration, all of which may be charged by the Attorney against any fruits, revenues or proceeds of alienation of the whole or any portion of the Charged Property;
- 7.3.3 subject to Section 7.6 below, the Attorney or the Administrator shall be entitled, under any circumstances (even if they have only simple administration of such Charged Property) and in such manner as the Attorney or the Administrator deems, in its sole discretion, appropriate, to alienate such Charged Property by onerous title;
- 7.3.4 the Attorney will be entitled to acquire the whole or any portion of any Charged Property alienated by onerous title in the course of any administration thereof;
- 7.3.5 in the event that the Attorney or the Administrator acquires full administration of any Charged Property, neither the Attorney nor the Administrator will be under any obligation whatsoever to make such Charged Property productive, increase such Charged Property or the value thereof or appropriate such Charged Property to any purpose other than fulfillment of the Obligations;
- 7.3.6 the Attorney and the Administrator will be entitled to use for their own benefits any information which either of them may obtain by reason of their administration of the whole or any portion of the Charged Property;
- 7.3.7 the Attorney and the Administrator will be entitled, whether or not for value, to renounce to any right affecting, benefiting, pertaining to and/or forming part of any Charged Property administered by either of them;
- 7.3.8 neither the Attorney nor the Administrator will be obliged, in any manner whatsoever, to prepare any inventory of any Charged Property, insure any Charged Property or give any security for any Charged Property or their administration thereof. Should the Attorney or the Administrator, in its sole discretion, insure the whole or any portion of any Charged Property, the costs and expenses of any insurance shall form part of the costs and expenses referred to in subparagraph 7.3.2 hereof;
- 7.3.9 the Attorney and the Administrator may change the destination of the whole or any portion of any Charged Property under their administration and will not be bound to

continue the use or operation of any Charged Property under their administration which produces fruits or revenues;

7.3.10 notwithstanding any provisions of law to the contrary, the Attorney and the Administrator will only be obliged to render an account to the Grantor upon the written request of the Grantor and once the Attorney or Administrator has determined, to its satisfaction, the details of such account.

7.4 Taking in Payment

In the event that the Attorney exercises its right to become the absolute owner of the Charged Property or any part thereof, the Grantor, concurrently with the surrender or at any time thereafter at the request of the Attorney, will sign a voluntary deed or agreement providing for the Attorney to take in payment the Charged Property or any part thereof. In the event that the Grantor requires the Attorney to sell any such Charged Property, the Grantor acknowledges that the Attorney will not be required to abandon its recourse of taking in payment unless, before the expiration of the delay to surrender, the Attorney: (i) shall have been furnished with security guaranteeing that the Charged Property in question will be sold at a sufficiently high price for the Attorney to be paid the amounts secured hereunder in full; (ii) shall have been reimbursed the costs it has incurred; and (iii) shall have been advanced all amounts necessary for the sale of the Charged Property in question.

7.5 All expenditures and improvements made by any holder of the Charged Property and all payments made on account of the Obligations and the accessories thereof will belong to the Attorney. The Attorney will not be obliged to compensate or indemnify the Grantor or any other person for any cause whatsoever.

7.6 Sale of Charged Property

In the event that the Attorney exercises its right to sell the whole or any portion of the Charged Property by judicial authority or pursuant to a sale by the Attorney, the following will apply:

7.6.1 such Charged Property may be sold subject to and upon such terms and conditions (including, without limitation, terms extending credit) by way of one (1) or more sales by private agreement, call for tenders or auction or combinations thereof as the Attorney or the Administrator sees fit and the Attorney or the Administrator may, at any time, change or substitute any method of sale for any other method of sale of such Charged Property;

7.6.2 notwithstanding any provision of law to the contrary, in any call for tenders, the Attorney or Administrator, acting reasonably, will not be obliged to accept the highest offer or any offer and, in the event that no offer is accepted, may

proceed to sell such Charged Property by any other method;

7.6.3 the Grantor expressly agrees that the Attorney will not be required to obtain or present to the Court any appraisals of such Charged Property and that such Charged Property may be sold without any upset price therefor; and

7.6.4 the Attorney may purchase all or any portion of the Charged Property and the Attorney is hereby expressly permitted to retain the purchase price of same, up to the amount of the Obligations.

7.7 Remedies relating to intellectual property

For the purpose of enabling the Attorney to exercise rights and remedies under this Section (including, without limiting the terms of this Section, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of the Charged Property) at such time as the Attorney shall be lawfully entitled to exercise such rights and remedies, the Grantor hereby grants to the Attorney, for its benefit, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any intellectual property now owned or hereafter acquired by the Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

7.8 Furthermore, upon the occurrence of an Event of Default which is continuing, the Grantor hereby irrevocably constitutes and appoints the Attorney as the mandatary of the Grantor with power of substitution in the name of the Grantor to execute and deliver all such agreements, documents and instruments as the Attorney, in its sole discretion, considers necessary or desirable, including without limitation to execute and file or register with the Canadian Intellectual Property Office any and all documents required to transfer title in and to any of the intellectual property in the name of the Grantor or to take any step appropriate for the preservation or protection of any of the intellectual property for the benefit of the Attorney.

8. POWERS OF BONDHOLDERS

8.1 Subject to the provisions of the Credit Agreement, the Bondholders either directly or through an authorized agent or mandatary, when authorized by a Bondholder's Instrument, may exercise in a manner not inconsistent with the Credit Agreement any one or more of the following powers:

8.1.1 power to agree to any modification, abrogation, compromise or arrangement of the rights of the Bondholders and/or the Attorney against the Grantor or

against its undertaking, property and assets or any part thereof, whether such rights arise under this Deed of Hypothec or the Bonds or otherwise, provided however that the Attorney may decline to agree, in its sole discretion, to any modification, abrogation, alteration, compromise or arrangement which would adversely affect its rights;

- 8.1.2 power to direct or authorize the Attorney to exercise any power, right, remedy, recourse or authority given to it by this Deed of Hypothec in any manner specified by the Bondholders or to refrain from exercising any such power, right, remedy, recourse or authority;
- 8.1.3 power to waive and to direct the Attorney to waive any default on the part of the Grantor to comply with any provision of this Deed of Hypothec or the Bonds either unconditionally or upon any conditions specified by the Bondholders, whether or not the security under this Deed of Hypothec shall have become enforceable by reason of such default;
- 8.1.4 power to authorize the Grantor to sell or otherwise dispose of all or part of the Charged Property and to instruct the Attorney to release the same free from the hypothec created under this Deed of Hypothec, all upon such terms and conditions as may be specified by the Bondholders;
- 8.1.5 assent to any compromise or arrangement with any creditor or creditors of the Grantor;
- 8.1.6 assent to any modification of or addition to the provisions of this Deed of Hypothec in a manner not inconsistent with the Credit Agreement;
- 8.1.7 grant any approval or consent herein provided to be given by the Bondholders or make any determination herein provided to be made by the Bondholders;
- 8.1.8 sanction any scheme of reorganization, consolidation, merger or amalgamation of the Grantor on such terms as may be specified by the Bondholders; and
- 8.1.9 sign such other deeds, instruments or take such other action or refrain from taking any action as may be specified by the Bondholder.

9. POWER OF ATTORNEY

- 9.1 The Grantor hereby absolutely and irrevocably constitutes and appoints the Attorney as the Grantor's true and lawful agent and attorney-in-fact, with full power of substitution, in the name of the Grantor upon the occurrence and during the continuation of an Event of Default:

- 9.1.1 to execute and do all such assurances, acts and things which the Grantor ought to do but has failed to do under the covenants and provisions contained in this Deed of Hypothec;
- 9.1.2 to take any and all such action as the Attorney or any of its sub-agents, nominees or attorneys may, in its or their sole and absolute discretion, reasonably determine as necessary or advisable for the purpose of maintaining, preserving or protecting the security constituted by this Deed of Hypothec or any of the rights, remedies, powers or privileges of the Attorney under this Deed of Hypothec; and
- 9.1.3 generally, in the name of the Grantor, to exercise all or any of the powers, authorities, and discretions conferred on or reserved to the Attorney by or pursuant to this Deed of Hypothec, and (without prejudice to the generality of any of the foregoing) to seal and deliver or otherwise perfect any deed, assurance, agreement, instrument or act as the Attorney may deem proper in or for the purpose of exercising any of such powers, authorities or discretions. The Grantor hereby ratifies and confirms, and hereby agrees to ratify and confirm, whatever lawful acts the Attorney or any of the Attorney's sub-agents or attorneys shall do or purport to do in the exercise of the power of attorney granted to the Attorney pursuant to this Section 9, which power of attorney, being given for security, is irrevocable.

10. GENERAL PROVISIONS

- 10.1 The security created hereunder is in addition to and not in substitution for any other security now or hereafter held by or for the benefit of the Attorney or the Creditors and shall not be diminished or novated or otherwise affected by any other security or any promissory note or other evidence of indebtedness which the Attorney or the Creditors or any party for the benefit of the Attorney or the Creditors may have or obtain from the Grantor or any other person, nor shall any other security or note or evidence of indebtedness be diminished or novated or otherwise affected hereby.
- 10.2 The security hereby granted will remain in full force and effect for the full Hypothec Amount until such time as an express written discharge is executed by the Attorney and delivered to the Grantor.
- 10.3 Any sum collected by the Attorney in the exercise of its rights may be held by the Attorney as Charged Property or subject to the Credit Agreement may be applied to the payment of the Obligations, whether or not yet due.

10.4 The Attorney shall not be bound to exercise its rights resulting from the present Deed of Hypothec and shall not be responsible for the non-exercise of such rights.

10.5 No delay or failure on the part of the Attorney in exercising any right or remedy hereunder shall affect such right or remedy, nor shall any single or partial exercise hereof preclude any further exercise thereof or the exercise of any other right or remedy. Any waiver by the Attorney of any of its rights or remedies hereunder will be valid only if express and in writing. In no event will the Attorney's acceptance, after the full payment or performance of the Obligations may have become due and payable, of any partial payment or performance, be deemed to alter or affect the Attorney's rights with respect to any subsequent payment or default thereon. Moreover, should the Attorney grant or tolerate any extension or delay for payment or performance of any obligations of the Grantor, such extension, delay, indulgence or tolerance will not be deemed an acquiescence by the Attorney in such default or waiver of any of the Attorney's rights and remedies hereunder or in respect of any future default.

The different recourses of the Attorney hereunder are cumulative and not alternative. The rights and remedies of the Attorney hereunder are in addition to every other right and remedy now or hereafter existing in favour of the Attorney, whether by law or otherwise.

10.6 The Attorney may delegate to another person the exercise of its rights or the performance of its Obligations resulting under this Deed of Hypothec. In such a case, the Attorney may provide that person with any information it may have concerning the Grantor or the Charged Property.

10.7 The present Deed of Hypothec shall bind the Grantor and its successors and assigns towards the Attorney and towards any successor or assign of the Attorney.

10.8 Any notice, request or other communication hereunder to any party hereto in connection with the present Deed of Hypothec shall be well and sufficiently given if given in accordance with the notice provisions of the Credit Agreement.

10.9 The hypothec granted herein shall be and have effect whether or not the moneys thereby secured shall be received before or after or at the same time as the issue of any of the Bonds intended to be thereby secured or any part thereof, or before or after, or upon the date of the execution of this Deed of Hypothec. The hypothec granted herein shall be valid and shall subsist notwithstanding that the Bonds, or any of them, may not have been issued at the date hereof and shall be valid and shall secure all obligations of the Grantor under any Bonds hereafter issued, including any Bonds issued in replacement or exchange of any of the Bonds, in whole or in part. The extinction or reduction of such obligations for any reason whatsoever shall not in any way extinguish or reduce the

hypothec granted herein and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such hypothec granted herein, to the extent not so cancelled, shall subsist with respect to any Obligations thereafter incurred by the Grantor from time to time.

10.10 In the event of any inconsistency between the terms of this Deed of Hypothec and the Credit Agreement with respect to any matter specifically dealt with in both herein and therein, the provisions of the Credit Agreement will govern, unless as a result thereof the hypothec created herein or any of the hypothecary remedies of the Attorney hereunder would be in any way diminished or invalidated, in which case the provisions of this agreement will prevail.

10.11 This Deed of Hypothec shall be governed by and interpreted in accordance with the laws of the Province of Québec. Without prejudice to the rights of the Attorney, the Grantor expressly submits and consents to the exclusive jurisdiction of the Courts of the Province of Québec, with respect to any controversy arising out of or relating to this Deed of Hypothec, or any supplement hereto.

10.12 The hypothec granted herein shall be governed by the laws of the Province of Québec and the federal laws of Canada applicable in the Province of Québec and the Attorney shall have all hypothecary rights and recourses provided for in the *Civil Code of Québec*. In addition to the rights and recourses of the Attorney provided hereunder, in the event the security interest created under Section 4 is registered in another jurisdiction, the Attorney may also exercise all rights and remedies of a secured party under the laws in effect in such jurisdiction.

10.13 The parties acknowledge that they have required that this Deed of Hypothec and the Bonds and all related documents be prepared in English. Les parties reconnaissent avoir exigé que le présent Acte d'hypothèque et tous les documents connexes soient rédigés en anglais.

FIRST SCHEDULE OF THE DEED OF HYPOTHEC

DESCRIPTION OF IMMOVABLE PROPERTY(IES)

NIL



SECOND SCHEDULE OF THE DEED OF HYPOTHEC

FORM OF BOND

CANADA
PROVINCE OF QUÉBEC

Collateral Bond

NO. 1

\$200,000,000.00

6461948 CANADA INC. ("Issuer"), for value received, promises to pay, on demand, to JPMORGAN CHASE BANK, N.A. ("Attorney") in its capacity as agent, mandatary and custodian on behalf and for the benefit of the Creditors (as such term is defined in the Deed of Hypothec to which reference is made hereinafter) or registered assigns, at the Attorney's office situated at One Chase Manhattan Plaza, 8th Floor, New York, New York, 10081, U.S.A., or at other such location which the Attorney may designate by notice to the Issuer, the principal sum of TWO HUNDRED MILLION DOLLARS (CDN\$200,000,000.00) in lawful money of Canada and to pay interest thereon, on demand, from the date of this Bond, both before and after a default, in like money, at the rate of twenty-five percent (25%) per annum, calculated half-yearly and not in advance, with interest on all overdue interest calculated at the same rate and in the same manner as the principal hereof, from the due date until the date of payment.

This Bond is issued under and secured by a Deed of Hypothec dated February 2, 2006 executed by the Issuer in favour of the Attorney ("Deed of Hypothec"), as the person holding the power of attorney (*fondé de pouvoir*) of the Creditors in accordance with Article 2692 of the *Civil Code of Québec*, as modified, extended, replaced, amended, renewed, supplemented, restated or continued from time to time ("Deed of Hypothec"), to which Deed of Hypothec reference is hereby made for the terms and conditions upon and subject to which this Bond is issued and held and the nature and extent of the security therefor.

This Bond is subject to the terms and conditions of the Deed of Hypothec. The holder of this Bond by its acceptance hereof assents to such terms and conditions. The Bond is also subject to the terms and conditions of the Pledge Agreement entered into between the Issuer and the holder hereof.

This Bond is fully registered and may be transferred by the holder upon compliance with the provisions of the Deed of Hypothec. This Bond shall be certified as provided for in the Deed of Hypothec.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed and dated the 2nd day of February, 2006.

6461948 CANADA INC.

per: _____

CERTIFICATE

This Bond is Collateral Bond number 1 issued under the Deed of Hypothec.

Date of Certification: _____, 2006.

JPMORGAN CHASE BANK,
N.A.

Per: _____

FORM OF TRANSFER

FOR VALUE RECEIVED, _____, by these presents cedes and transfers to _____ the Bond issued by _____ ("Issuer") to _____ ("Attorney") for the principal sum of _____ DOLLARS (\$ _____) in lawful money of Canada pursuant to a Deed of Hypothec executed by the Issuer in favour of the Attorney dated _____, with full power of substitution, as well as all its rights thereunder and the principal amount and outstanding interest on the Bond and irrevocably appoints the Attorney as its attorney to complete the transfer on the register maintained by the Attorney pursuant to the Deed of Hypothec.

Dated: _____

Witness:

Signed by:

WHEREOF ACTE:

THUS DONE AND PASSED at the City of Montréal and remains of record under the minute five hundred and thirty-seven (537) of the undersigned Notary.

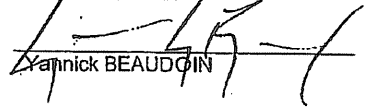
AND AFTER the parties hereto had declared to have taken cognisance of these presents and to have exempted the said Notary from reading them or causing them to be read, the parties signed these presents in the presence of the undersigned Notary.

JPMORGAN CHASE BANK, N.A.

Per: Beatrice Van Ruten
Beatrice VAN RUTTEN

6461948 CANADA INC.

Per:


Yannick BEAUDOIN


Mtre. Stéphanie GRONDIN, Notary

True copy of the original hereof
remaining of record in my office

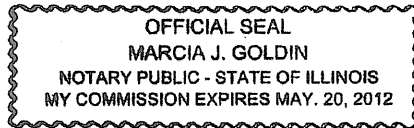


This is Exhibit "E" referred to in
the Affidavit of Timothy R.J. Stubbs

Subscribed and sworn to before me
this *3rd* day of April, 2009

Marcia Goldin

Notary Public



INDALEX LIMITED GROUP OF COMPANIES
SEARCH OVERVIEW

SECURITY SEARCHES

PPSA means *Personal Property Security Act*

Bankruptcy means *Bankruptcy and Insolvency Act*; S/C means Superior Court of Justice (Toronto) and S/B means Superintendent of Bankruptcy (national search)

For British Columbia, the default jurisdictions for the *Creditors Assistance Act* searches are Vancouver, New Westminster and Surrey

For Alberta, Writs of Executions are revealed under the PPSA

N/S means not searched

| Name | Security Searches | | | | | | | | | | | |
|------------------------------|-------------------|------------------------|--|---------------------------------|---------------|------------------------|------------------------------|--------------------------|---------------|------------------------|---------|--|
| | Ontario | | | | | British Columbia | | | | | Alberta | |
| | PPSA | Bank Act | Bankruptcy ¹ | Execution Act | PPSA | Bank Act | Bankruptcy | Creditors Assistance Act | PPSA | Bank Act | | |
| Indalex Limited | See Exhibit 1 | Clear – March 22/09 | S/C: See Exhibit 2 S/B: Clear – March 18/09 | Toronto: Clear – March 23/09 | See Exhibit 1 | Clear – March 22/09 | See Printout at Exhibit 3 | Clear – March 19/09 | See Exhibit 1 | Clear – March 22/09 | | |
| 6461948 Canada Inc. | See Exhibit 1 | Clear – March 22/09 | S/C: Clear – March 16/09 S/B: Clear – March 18/09 | Toronto: Clear – March 23/09 | See Exhibit 1 | Clear – March 22/09 | Clear – March 2/09 | Clear – March 19/09 | See Exhibit 1 | Clear – March 22/09 | | |
| Indalex Holdings (B.C.) Ltd. | See Exhibit 1 | Clear – March 22/09 | S/C: Clear – March 16/09 S/B: Clear – March 18/09 | Toronto: Clear – March 23/09 | See Exhibit 1 | Clear – March 22/09 | See Printout at Exhibit 3 | Clear – March 19/09 | See Exhibit 1 | Clear – March 22/09 | | |
| Novar Inc. | See Exhibit 1 | Clear – March 22/09 | S/C: Clear – March 16/09 S/B: Clear – March 18/09 | Toronto: Clear – March 23/09 | See Exhibit 1 | Clear – March 22/09 | Clear – March 2/09 | Clear – March 19/09 | See Exhibit 1 | Clear – March 22/09 | | |

¹ Searches conducted in Ontario to identify bankruptcy or bulk sales filings or other proceedings related to bankruptcy or insolvency (including proceedings under the Companies' Creditors Arrangement Act) in respect of a searched name may not necessarily disclose all such filings or proceedings. Accordingly, the results of the searches we have conducted to identify such filings or proceedings in respect of a searched name may not be accurate nor complete.

| Security Searches | | | | | | | | | | | | | |
|-----------------------|---------------|------------------------|--|---------------------------------|------------------------|------------------------|-----------------------|--------------------------|------------------------|------------------------|------------------------|------------------------|--|
| Name | Ontario | | | | | | British Columbia | | | | | Alberta | |
| | PPSA | Bank Act | Bankruptcy ¹ | Execution Act | PPSA | Bank Act | Bankruptcy | Creditors Assistance Act | PPSA | Bank Act | Bank Act | | |
| 6326765 Canada Inc. | See Exhibit 1 | Clear – March 22/09 | S/C: Clear - March 16/09 S/B: Clear – March 18/09 | Toronto: Clear – March 23/09 | See Exhibit 1 | Clear – March 22/09 | Clear – March 2/09 | Clear – March 19/09 | See Exhibit 1 | Clear – March 22/09 | Clear – March 22/09 | Clear – March 22/09 | |
| Indalex Holding Corp. | See Exhibit 1 | Clear – March 22/09 | S/C: Clear - March 16/09 S/B: Clear – March 18/09 | Toronto: Clear – March 23/09 | Clear - March 19/09 | Clear – March 22/09 | Clear – March 2/09 | Clear – March 19/09 | Clear - March 19/09 | Clear – March 22/09 | Clear – March 22/09 | Clear – March 22/09 | |

EXHIBIT 1

Personal Property Security Act (Ontario)

C means Consumer Goods, I means Inventory, E means Equipment, A means Accounts, O means Other, M means Motor Vehicle Included
Collateral Description intends to be an abridgement; see search printout for full collateral description (including serial numbers and itemized collateral)
VIN means one or more specific motor vehicles have been set out in the Motor Vehicle Section – see search printout for vehicle identification numbers
Other Comments intends to capture amendments, partial discharges, etc.
 The first eight digits of the Registration Number denote the year, month and day of registration

Current to March 19, 2009

**INDALEX LIMITED
 6461948 CANADA INC.**

| Secured Party | File Number | Registration Number | Collateral Classification | | | | | | Collateral Description | VIN | Registration Period | Debtor | Other Comments |
|---|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|----------|---|------------|----------------------------|---|------------------------|
| | | | C | I | E | A | O | M | | | | | |
| 1. Woodbine Truck Centre Ltd. o/a Woodbine Indealease | 651922641 | 20090309 1036 7036 9283 | | | X | | | | 2008 Ottawa 4X2 Off-Highway Trailer Mover 322364 | | 5 years | Indalex Limited - and - Indalloy Toronto Division | No Fixed Maturity Date |
| 2. NRB Inc. | 651317157 | 20090202 1310 1793 1294 | | | X | | X | | Modular building and all accessories, attachments and accessions and proceeds thereof described in Lease Agreement dated December 1, 2008 | | 7 years | Indalex Limited - and - Indalloy, Division of Indalex Limited | |
| 3. De Lage Landen Financial Services Canada Inc. | 650930427 | 20090108 1945 1531 6398 | | | X | | X | X | All goods supplied by the Secured Party, all parts and accessories thereto and accessions thereto and all replacements or substitutions for such goods. Proceeds, accounts, chattel paper, money, intangibles, goods, documents of title, instruments, securities | X | 7 years | Indalex Limited | |

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|---|----------------------------------|----------|----------|----------|----------|----------|-------------------------------|------------|--|------------------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | <u>M</u> | | | | | |
| 4. De Lage Landen Financial Services Canada Inc. | 650783259 | 20081230 1945 1531 2384 | | | X | | X | | X | 3 years | Indalex Limited | No Fixed Maturity Date | |
| 5. GE Canada Equipment Financing G.P. | 649456911 | 20081023 1943 1531 4728 | | | X | | | | X | 4 years | Indalex Limited | | |
| 6. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | 645876702 | 20080606 1703 1462 8148 Caution Filing | | | X | | X | | X | 8 years | Indalex Limited Indalloy Toronto Division - and - Indalex Limited | | |

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|----------------------------------|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|--|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | | | | | |
| 7. Citicorp Vendor Finance, Ltd. | 632530746 | 20070201 1046 1529 2446 | | | X | | | X | | 7 years | Indalloy Toronto - and - Indalex Limited | Amount: \$70823 |
| 8. Citicorp Vendor Finance, Ltd. | 631211382 | 20061206 1451 1530 5524 | | | X | | | X | | 7 years | Indalloy Toronto - and - Indalex Limited | Amount: \$59055 |

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|--|--------------------|---|----------------------------------|----------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|------------------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | <u>M</u> | | | | | |
| 9. GE Canada Leasing Services Company | 624912192 | 20060504 1540 6093 7539 | | X | X | X | X | X | X | | Indalex Limited | No Fixed Maturity Date | |
| 10. JPMorgan Chase Bank, N.A., as Administrative Agent | 621955665 | i) 20060112 0943 1590 0177 ii) 20060203 1206 1590 1450 | | X | X | X | X | X | X | | 6461948 Canada Inc. | Change name of Debtor | |
| 11. JPMorgan Chase Bank, N.A., as Administrative Agent | 621955692 | 20060112 0945 1590 0178 | | X | X | X | X | X | X | | Indalex Limited | | |
| 12. VFS Canada Inc. | 620888769 | 20051130 1030 8077 6812 | | | X | | | X | X | | Indalex Limited | No Fixed Maturity Date | |
| 13. Mr. Forkliff | 615119643 | 20050513 1748 7029 3985 | | | X | | | X | X | | Indalex Limited | | |

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|--------------------------------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | <u>M</u> | | | | | |
| 14. Citicorp Vendor Finance, Ltd. | 614282823 | 20050418 1052 1529 4421 | | | X | | | | X | 8 years | Indalex Limited | Amount: 89660 Maturity: 15APR2013 | |
| 15. De Lage Landen Financial Services Canada Inc. | 614056932 | i) 20050408 1643 7029 3210 | | | X | | | | X | 4 years | Indalex Limited | | |

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|--|--------------------|--|----------------------------------|----------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|--------------------------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | <u>M</u> | | | | | |
| 16. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | | ii) 20050408 1646 7029 3211 | | | | | | | X | | | Amend Motor Vehicle VIN Number | |
| | 612788769 | i) 20050218 1449 1530 8140 Caution Filing | | | X | | X | X | X | 7 years | Indalex Limited | No Fixed Maturity Date | |
| | | ii) 20050912 1450 1530 5278 | | | | | | | X | | | | |
| | | i) 20030624 1826 1531 2275 | | | X | | X | X | | 5 years | Indalex Limited | Addition of Motor Vehicles | |
| 17. PHH Vehicle Management Services Inc. | 895741587 | | | | | | | | | | | | |

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|---|----------------------------------|----------|----------|----------|----------|----------|--|------------------|----------------------------|-----------------|---|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | <u>M</u> | | | | | |
| | | ii) 20060817 1941 1531 1449 iii) 20070627 1953 1531 4771 iv) 20070813 1949 1531 5052 v) 20080530 1952 1531 8635 vi) 20080909 1945 1531 3096 | | | | | | | equipment leased from time to time by the secured party to the debtor, together with all present and future attachments, accessories, appurtenances, accessories and replacement parts, and all proceeds of or relating to any of the forgoing | X X X X | 5 years | | Addition of Motor Vehicles Partial Discharge of Motor Vehicle Addition of Motor Vehicles Renewal Partial Discharge of 1 Motor Vehicle |
| 18. GE Capital Canada Leasing Services Inc. GE Canada Leasing Services Company | 879117021 | i) 20011221 1651 6092 3767 ii) 20051228 1021 6092 6287 iii) 20051228 1021 6092 6288 iv) 20051229 1032 6092 6289 | | X | X | X | X | | | | 6 years | Indalex Limited | No Fixed Maturity Date Change name of Secured Party Renewal Renewal |

INDALEX HOLDINGS (B.C.) LTD.

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|------------------------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | | | | | |
| 1. JPMorgan Chase Bank, N.A., as Administrative Agent | 621955719 | 20060112 0946 1590 0180 | | X | X | X | X | | | 7 years | Indalex Holdings (B.C.) Ltd. | |

NOVAR INC.

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|---------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | | | | | |
| 1. JPMorgan Chase Bank, N.A., as Administrative Agent | 621955728 | 20060112 0947 1590 0182 | | X | X | X | X | | | 7 years | Novar Inc. | |

6326765 CANADA INC.

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|---------------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | | | | | |
| 1. JPMorgan Chase Bank, N.A., as Administrative Agent | 621955701 | 20060112 0945 1590 0179 | | X | X | X | X | | | 7 years | 6326765 Canada Inc. | |

INDALEX HOLDING CORP.

| <u>Secured Party</u> | <u>File Number</u> | <u>Registration Number</u> | <u>Collateral Classification</u> | | | | | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|--|--------------------|----------------------------|----------------------------------|----------|----------|----------|----------|-------------------------------|------------|----------------------------|---------------|-----------------------|
| | | | <u>C</u> | <u>I</u> | <u>E</u> | <u>A</u> | <u>O</u> | | | | | |
| 1. U.S. Bank National Association, as Collateral Agent | 622413117 | 20060201 0917 1590 1263 | | | X | X | | | 7 years | Indalex Holding Corp. | | |
| 2. JPMorgan Chase Bank, N.A., as Administrative Agent | 622245393 | 20060125 1356 1590 0887 | | | | X | X | | 7 years | Indalex Holding Corp. | | |

BRITISH COLUMBIA

Collateral Description intends to be an abridgement; see search printout for full collateral description (including serial numbers and itemized collateral)
VIN means one or more serial numbered goods have been set out in the serial numbered goods section – see search printout for serial numbers
Other Comments intends to capture amendments, partial discharges, etc.

Current to March 19, 2009

**INDALEX LIMITED
6461948 CANADA INC.**

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|-------------------|----------------------------|--|------------|----------------------------|-----------------|---------------------------------------|
| 1. PHH Vehicle Management Services Inc. | June 24, 2003 | i) 122520B | Motor vehicles (including, without limitation, truck tractors, truck trailers, truck chassis or truck bodies), automotive equipment (including, without limitation, trailers, boxes and refrigeration units) and materials handling equipment leased by the Debtor from the Secured Party together with all attachments, appurtenances, accessories or replacement parts. Proceeds: all of the Debtor's present and after acquired personal property including, without limitation, goods, securities, instruments, documents of title, chattel paper, intangibles and money | X | 5 years | Indalex Limited | Addition of Motor Vehicles Renewal |
| | August 17, 2006 | ii) 186974D | | | | | |
| | May 30, 2008 | iii) 392750E | | | 5 years | | |
| 2. CIT Financial Ltd. | March 30, 2004 | 616435B | Together with all attachments, accessories, accessions, replacements, substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any dealing with the collateral and a right to an insurance payment or any payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral | X | 5 years | Indalex Limited | |
| 3. Liftcapital Corporation/ Corporation Liftcapital | October 14, 2004 | i) 983651B | Material handling equipment together with all parts, accessories, additions, batteries, chargers, repair parts, and other equipment placed on or forming part of the goods described herein with any proceeds thereof and therefrom including, without limitation, all goods, securities, instruments, documents of title, chattel paper and intangibles (as defined in the <i>Personal Property Security Act</i>) | X | 6 years | Indalex Limited | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|----------------------------|---|------------|----------------------------|-----------------|---------------------------------|
| | May 19, 2006 | ii) 015745D | | | | | Change address of Secured Party |
| 4. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | February 18, 2005 | i) 194543C | Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to Xata and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral | X | 7 years | Indalex Limited | |
| | September 13, 2005 | ii) 574806C | | X | | | Addition of Motor Vehicles |
| 5. Ikon Office Solutions Inc. | July 26, 2005 | 485101C | All goods which are photocopiers, photocopying machines and duplicating devices together with all parts, accessories, accession and attachments and all proceeds which are goods, chattel paper, securities, documents of title, instruments, money, intangibles, crops or licenses (Reference Lease No. 4367722-002) | | 6 years | Indalex Limited | |
| 6. JPMorgan Chase Bank, N.A. | January 12, 2006 | i) 786146C | All of the presently owned or held and after acquired or held personal property of the Debtor of whatsoever nature or kind and whatsoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor: all inventory of whatever kind and wherever situate, all equipment (other than inventory) or whatever kind and wherever situate, all book accounts, and book debits, accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, whether now or hereafter owned by or becoming due to the Debtor (and all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to or evidencing or securing debts, chattel paper or documents of title), the undertaking of the Debtor and all money, chattel paper, documents of title, instruments, intangibles and securities, all intangible property of the Debtor and all | | 7 years | Indalex Limited | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|------------------------------|-------------------|----------------------------|---|------------|----------------------------|----------------------------|--|
| | February 3, 2006 | ii) 823716C | property which is or hereafter becomes a fixture or which constitutes a licence, quota, permit, or other similar right or benefit or crops. Terms used in this General Collateral Description which are defined in the <i>Personal Property Security Act</i> of British Columbia ("PPSA") have the meanings set forth in the PPSA unless the context otherwise requires or they are otherwise defined herein or in any Security Agreement between the Debtor and the Secured Party to which this Financing Statement applies. The Secured Party JPMorgan Chase Bank, N.A. holds the security interest as Administrative Agent for itself and certain other lenders | | | - and - Indalex Limited | Addition of Debtor to reflect the amalgamation of Indalex Limited and 6461948 Canada Inc. to continue as Indalex Limited |
| 7. JPMorgan Chase Bank, N.A. | January 12, 2006 | i) 786145C | All of the presently owned or held and after acquired or held personal property of the Debtor of whatsoever nature or kind and whatsoever nature, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor: all inventory of whatever kind and wherever situate, all equipment (other than inventory) or whatever kind and wherever situate, all book accounts, and book debts, accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, whether now or hereafter owned by or becoming due to the Debtor (and all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to or evidencing or securing debts, chattel paper or documents of title), the undertaking of the Debtor and all money, chattel paper, documents of title, instruments, intangibles and securities, all intangible property of the Debtor and all property which is or hereafter becomes a fixture or which constitutes a licence, quota, permit, or other similar right or | | 7 years | 6461948 Canada Inc | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|-------------------|----------------------------|--|------------|----------------------------|---|--|
| | February 3, 2006 | ii) 823694C | benefit or crops. Terms used in this General Collateral Description which are defined in the <i>Personal Property Security Act</i> of British Columbia ("PPSA") have the meanings set forth in the PPSA unless the context otherwise requires or they are otherwise defined herein or in any Security Agreement between the Debtor and the Secured Party to which this Financing Statement applies. The Secured Party JPMorgan Chase Bank, N.A. holds the security interest as Administrative Agent for itself and certain other lenders | | | - and- Indalex Limited | Addition of Debtor to reflect the amalgamation of Indalex Limited and 6461948 Canada Inc. to continue as Indalex Limited |
| 8. Citicorp Vendor Finance, Ltd | January 19, 2007 | 458583D | Material handling equipment together with all parts, accessories, additions, batteries, chargers, repair parts, and other equipment placed on or forming part of the goods described herein with any proceeds thereof and therefrom including, without limitation, all goods, securities, instruments, documents of title, chattel paper and intangibles (as defined in the <i>Personal Property Security Act</i>) | X | 6 years | Indalex Limited | |
| 9. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | October 12, 2007 | 976235D | Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to Xata and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral | X | 7 years | Indalex Limited Indalloy Toronto Division | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|--|-------------------|----------------------------|--|------------|----------------------------|---|-----------------------|
| 10. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | June 3, 2008 | 397380E | Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to Xata and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral | X | 8 years | Indalex Limited Indalloy Toronto Division - and - Indalex Limited | |

INDALEX HOLDINGS (B.C.) LTD.

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|------------------------------|-------------------|----------------------------|--|------------|----------------------------|-------------------------------|-----------------------|
| 1. JPMorgan Chase Bank, N.A. | January 12, 2006 | 786150C | All of the presently owned or held and after acquired or held personal property of the Debtor of whatsoever nature or kind and whatsoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor: all inventory of whatever kind and wherever situate, all equipment (other than inventory) or whatever kind and wherever situate, all book accounts, and book debts, accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, whether now or hereafter owned by or becoming due to the Debtor (and all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to or evidencing or securing debts, chattel paper or documents of title), the undertaking of the Debtor and all money, chattel paper, documents of title, instruments, intangibles and securities, all intangible property of the Debtor and all property which is or hereafter becomes a fixture or which constitutes a licence, quota, permit, or other similar right or benefit or crops. Terms used in this General Collateral Description which are defined in the <i>Personal Property Security Act</i> of British Columbia ("PPSA") have the meanings | | 7 years | Indalex Holdings (B C) Ltd | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|----------------------|-------------------|----------------------------|--|------------|----------------------------|---------------|-----------------------|
| | | | set forth in the PPSA unless the context otherwise requires or they are otherwise defined herein or in any Security Agreement between the Debtor and the Secured Party to which this Financing Statement applies. The Secured Party JPMorgan Chase Bank, N.A. holds the security interest as Administrative Agent for itself and certain other lenders | | | | |

NOVAR INC.

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|------------------------------|-------------------|----------------------------|---|------------|----------------------------|---------------|-----------------------|
| 1. JPMorgan Chase Bank, N.A. | January 12, 2006 | 786151C | All of the presently owned or held and after acquired or held personal property of the Debtor of whatsoever nature or kind and whatsoever nature, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor: all inventory of whatever kind and wherever situate, all equipment (other than inventory) or whatever kind and wherever situate, all book accounts, and book debts, accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, whether now or hereafter owned by or becoming due to the Debtor (and all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to or evidencing or securing debts, chattel paper or documents of title), the undertaking of the Debtor and all money, chattel paper, documents of title, instruments, intangibles and securities, all intangible property of the Debtor and all property which is or hereafter becomes a fixture or which constitutes a licence, quota, permit, or other similar right or benefit or crops. Terms used in this General Collateral Description which are defined in the <i>Personal Property Security Act</i> of British Columbia ("PPSA") have the meanings set forth in the PPSA unless the context otherwise requires or they are otherwise defined herein or in any Security | | 7 years | Novar Inc. | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|----------------------|-------------------|----------------------------|--|------------|----------------------------|---------------|-----------------------|
| | | | Agreement between the Debtor and the Secured Party to which this Financing Statement applies. The Secured Party JPMorgan Chase Bank, N.A. holds the security interest as Administrative Agent for itself and certain other lenders | | | | |

6326765 CANADA INC.

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|------------------------------|-------------------|----------------------------|---|------------|----------------------------|--------------------|-----------------------|
| 1. JPMorgan Chase Bank, N.A. | January 12, 2006 | 786148C | All of the presently owned or held and after acquired or held personal property of the Debtor of whatsoever nature or kind and whatsoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions thereof, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor: all inventory of whatever kind and wherever situate, all equipment (other than inventory) or whatever kind and wherever situate, all book accounts, and book debts, accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, whether now or hereafter owned by or becoming due to the Debtor (and all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to or evidencing or securing debts, chattel paper or documents of title), the undertaking of the Debtor and all money, chattel paper, documents of title, instruments, intangibles and securities, all intangible property of the Debtor and all property which is or hereafter becomes a fixture or which constitutes a licence, quota, permit, or other similar right or benefit or crops. Terms used in this General Collateral Description which are defined in the <i>Personal Property Security Act</i> of British Columbia ("PPSA") have the meanings set forth in the PPSA unless the context otherwise requires or they are otherwise defined herein or in any Security Agreement between the Debtor and the Secured Party to which this Financing Statement applies. The Secured Party | | 7 years | 6326765 Canada Inc | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|----------------------|-------------------|----------------------------|--|------------|----------------------------|---------------|-----------------------|
| | | | JPMorgan Chase Bank, N.A. holds the security interest as Administrative Agent for itself and certain other lenders | | | | |

ALBERTA

Collateral Description intends to be an abridgement; see search printout for full collateral description (including serial numbers and itemized collateral)
 VIN means one or more serial numbered goods have been set out in the serial numbered goods section – see search printout for serial numbers
 Other Comments intends to capture amendments, partial discharges, etc.

Current to March 19, 2009

**INDALEX LIMITED
 6461948 CANADA INC.**

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|-------------------|----------------------------|---|------------|----------------------------|-----------------|---|
| 1. PHH Vehicle Management Services Inc. | June 24, 2003 | i) 03062426550 | Motor vehicles (including, without limitation, truck tractors, truck trailers, truck chassis, or truck bodies), automotive equipment (including, without limitation, trailers, boxes and refrigeration units), and materials-handling equipment leased by the Debtor from the Secured Party together with all attachments, accessories or replacement parts. Proceeds: all of the Debtor's present and after acquired personal property including, without limitation, goods, securities, instruments, documents of title, chattel paper, intangibles and money | | 5 years | Indalex Limited | |
| | August 17, 2006 | ii) 06081737436 | | X | | | Addition of Motor Vehicle |
| | January 29, 2008 | iii) 08012920060 | | X | | | Deletion of Motor Vehicle |
| | March 7, 2008 | iv) 08030713506 | | | | | Note to indicate discharge of Motor Vehicle in registration above |
| | May 30 2009 | v) 08053027024 | | | | | Renewal |
| 2. Liftcapital Corporation/ Corporation Liftcapital | December 11, 2003 | i) 03121106805 | Material handling equipment together with all parts, accessories, additions, batteries, chargers, repair parts, and other equipment placed on or forming part of the goods described herein with any proceeds thereof and therefrom including, without limitation, all goods, securities, instruments, documents of title, chattel paper and intangibles (as defined in the <i>Personal Property Security Act</i>) | X | 5 years | Indalex Limited | |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|--------------------|----------------------------|--|------------|----------------------------|----------------------------|--|
| Lifcapital Corporation | May 1, 2006 | ii) 06050120887 | | | 1 year | | Change name and address of Secured Party Renewal |
| | December 1, 2008 | iii) 08120120809 | | | | | |
| 3. Lifcapital Corporation/ Corporation Lifcapital | May 11, 2004 | i) 04051106674 | Material handling equipment together with all parts, accessories, additions, batteries, chargers, repair parts, and other equipment placed on or forming part of the goods described herein with any proceeds thereof and therefrom including, without limitation, all goods, securities, instruments, documents of title, chattel paper and intangibles (as defined in the <i>Personal Property Security Act</i>) | X | 5 years | Indalex Limited | |
| Lifcapital Corporation | May 1, 2006 | ii) 06050121083 | | | | | Change name and address of Secured Party |
| 4. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | February 18, 2005 | i) 05021807754 | Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to Xata and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral | X | 7 years | Indalex Limited | |
| | September 12, 2005 | ii) 05091219138 | | X | | | Addition of Motor Vehicles |
| 5. JPMorgan Chase Bank, N.A., as Administrative Agent | January 12, 2006 | i) 06011201990 | All present and after-acquired personal property of the Debtor | | 7 years | 6461948 Canada Inc. | |
| | February 3, 2006 | ii) 06020314719 | | | | - and - Indalex Limited | Addition of Debtor to reflect the amalgamation of Indalex Limited and 6461948 Canada Inc. to continue as Indalex Limited |

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|--|--------------------------------------|-----------------------------------|--|------------|----------------------------|--|--|
| 6. JPMorgan Chase Bank, N.A., as Administrative Agent | January 12, 2006 | 06011202014 | All present and after-acquired personal property of the Debtor | | 7 years | Indalex Limited | |
| 7. JPMorgan Chase Bank, N.A., as Administrative Agent | January 26, 2006 February 3, 2006 | i) 06012602774 ii) 06020314636 | Land Charge | | Infinity | 6461948 Canada Inc. - and - Indalex Limited | Addition of Debtor to reflect the amalgamation of Indalex Limited and 6461948 Canada Inc. to continue as Indalex Limited |
| 8. JPMorgan Chase Bank, N.A., as Administrative Agent | January 26, 2006 | 06012602899 | Land Charge | | Infinity | Indalex Limited | |
| 9. GE Canada Leasing Services Company | May 4, 2006 | 06050424511 | | X | 8 years | Indalex Limited | |
| 10. Penske Truck Leasing Canada Inc - and - Locations de Camions Penske Canada Inc | June 3, 2008 | 08060303337 | Together with all attachments accessories accessions replacements substitutions additions and improvements thereto, including, but not limited to Xata and Qualcomm systems, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral | X | 8 years | Indalex Limited Indalloy Toronto Division - and - Indalex Limited | |

INDALEX HOLDINGS (B.C.) LTD.

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|-------------------|----------------------------|--|------------|----------------------------|------------------------------|-----------------------|
| 1. JPMorgan Chase Bank, N.A., as Administrative Agent | January 12, 2006 | 06011202147 | All present and after-acquired personal property of the Debtor | | 7 years | Indalex Holdings (B.C.) Ltd. | |

NOVAR INC.

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|-------------------|----------------------------|--|------------|----------------------------|---------------|-----------------------|
| 1. JPMorgan Chase Bank, N.A., as Administrative Agent | January 12, 2006 | 06011202188 | All present and after-acquired personal property of the Debtor | | 7 years | Novar Inc. | |

6326765 CANADA INC.

| <u>Secured Party</u> | <u>Date Filed</u> | <u>Registration Number</u> | <u>Collateral Description</u> | <u>VIN</u> | <u>Registration Period</u> | <u>Debtor</u> | <u>Other Comments</u> |
|---|-------------------|----------------------------|--|------------|----------------------------|---------------------|-----------------------|
| 1. JPMorgan Chase Bank, N.A., as Administrative Agent | January 12, 2006 | 06011202089 | All present and after-acquired personal property of the Debtor | | 7 years | 6326765 Canada Inc. | |

EXHIBIT 2

Bankruptcy and Insolvency Act (Canada)²

Superior Court of Justice in Bankruptcy in Toronto (current to March 16, 2009)

| <u>Court File Number</u> | <u>Short Form Title</u> | <u>Case Type</u> | <u>Party Information</u> |
|--------------------------|---------------------------------------|------------------------------------|--|
| CV05CV2917420000 | Kiameh et al v. Indalex Limited et al | MV – motor vehicle accident | Defendants: Home Depot of Canada and Indalex Limited Plaintiffs: Daniel Kiameh (a minor), Fadi Kiameh and Mona Smeir-Kiameh |
| CV05CV2907560000 | Snyth et al v. Indalex Limited | OTH – other | Defendants Indalex Limited Plaintiffs: Carson Smyth and Doris Smyth |
| 06-CV-322510PD 3 | D'Angelo v. Caradon Lite Products | (old system – limited particulars) | Defendant: Indalex Limited (old system – limited particulars) |
| 07-CV-33623PD 2 | Celia v. Indalex Ltd | (old system – limited particulars) | Defendant: Indalex Limited (old system – limited particulars) |

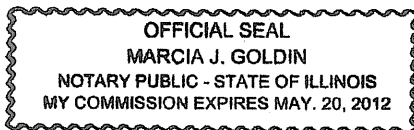
² These actions may or may not be actual Bankruptcy matters and could relate to other types of Litigation. Copies of the actions can be obtained to clarify these details.

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

Subscribed and sworn to before me
this *3rd* day of April, 2009

Marcia Goldin

Notary Public



EXTENSION AGREEMENT dated as of March 27, 2009 (this "Extension Agreement") among Indalex Holdings Finance, Inc., a Delaware corporation, Indalex Holding Corp., a Delaware corporation (the "Parent Borrower"), Indalex Limited, a Canadian corporation (together with the Parent Borrower, the "Borrowers"), the Subsidiaries of the Parent Borrower party hereto, the Lenders party hereto and JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), issuing bank and swingline lender.

WHEREAS, on May 21, 2008, the parties hereto entered into an amended and restated credit agreement (the "Credit Agreement") (capitalized terms used but not defined herein having the meanings assigned to them in the Credit Agreement);

WHEREAS, on March 6, 2009, the parties hereto entered into a certain Amendment No. 2 Waiver and Agreement (the "Amendment");

WHEREAS, on March 24, 2009, the Borrowers, the Administrative Agent and the Lenders party thereto entered into a certain waiver agreement (the "Waiver"); and

WHEREAS the parties hereto now wish to amend certain provisions of the Amendment and the Waiver;

NOW, THEREFORE, subject to the terms and conditions set forth herein, the parties hereto agree as follows:

SECTION 1. The Amendment. (a) Section 2(c)(i) of the Amendment is amended and restated to read: "11:59 p.m., New York City time, on April 3, 2009,"; and

(b) for the avoidance of doubt, the parties hereto acknowledge and agree that in light of the Waiver, the Amendment did not terminate and expire pursuant to Section 2(c)(iii) thereof as a result of the Specified Events of Default (as defined in the Waiver).

SECTION 2. The Waiver. The Waiver is amended as follows:

(a) the words "which is expected to occur no later than March 27, 2009" are deleted from the fourth recital;

(b) the date "March 27, 2009" in Section 2(b) is replaced with the date "April 3, 2009"; and

(c) the date "March 26, 2009" in Section 3(b) is replaced with the date "April 2, 2009".

SECTION 3. Effectiveness. This Extension Agreement shall become effective as of the first date on which the Administrative Agent (or its counsel) shall have received from each of the Loan Parties listed on the signature pages hereto and each of

the Lenders (i) a counterpart of this Extension Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile transmission of a signed signature page of this Extension Agreement) that such party has signed a counterpart of this Extension Agreement.

SECTION 4. Governing Law; Counterparts. (a) This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) This Extension Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Extension Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Extension Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Extension Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

INDALEX HOLDINGS FINANCE, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX HOLDING CORP.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX LIMITED,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

CARADON LEBANON, INC.,

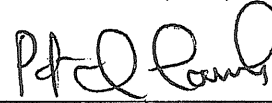
By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

DOLTON ALUMINUM COMPANY, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX HOLDINGS (B.C.) LTD.,

By

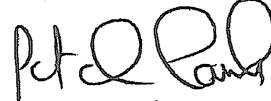


Name: PATRICK LAWLEY

Title: CFO

NOVAR INC.,

By



Name: PATRICK LAWLEY

Title: CFO

6326765 CANADA INC.,

By




Name: PATRICK LAWLEY

Title: CFO

JPMORGAN CHASE BANK, N.A.,
Individually and as Administrative Agent,
Issuing Bank and Swingline Lender


By



Charles O. Freedgood
Managing Director

JPMORGAN CHASE BANK, N.A.,
TORONTO BRANCH, Individually and as
Canadian Lending Office for the
Administrative Agent, Issuing Bank and
Swingline Lender

By



Charles O. Freedgood
Managing Director

SIGNATURE PAGE TO EXTENSION
AGREEMENT

BANK OF AMERICA

Name of Lender

By: H Michael Wills

Name: H MICHAEL WILLS

Title: SVP


By: H Michael Wills

Name: H MICHAEL WILLS

Title: SVP

SIGNATURE PAGE TO EXTENSION
AGREEMENT

Bank of America, N.A., acting through its
Canada branch

By: 

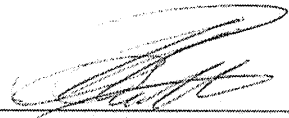
Name: Medina Sales de Andrade
Title: Vice President

By: _____

Name:
Title:

SIGNATURE PAGE TO EXTENSION
AGREEMENT

Bank of Montreal

By: 

Barry W. Stratton
Managing Director

SIGNATURE PAGE TO EXTENSION
AGREEMENT

GENERAL ELECTRIC CAPITAL
CORPORATION

By: Rebecca L. Milligan
Name: Rebecca L. Milligan
Title: Duly Authorized Signatory

By: _____
Name:
Title:

SIGNATURE PAGE TO EXTENSION
AGREEMENT

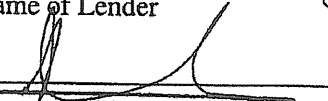
GE Canada Finance Holding Co.

Name of Lender

By: _____

Name:

Title:


NICK LALANI
DULY AUTHORIZED SIGNATORY

By: _____

Name:

Title:

SIGNATURE PAGE TO EXTENSION
AGREEMENT

Wachovia Capital Finance Corporation (control)

Name of Lender

By: [Signature]

Name: Vicki Genski

Title: Director

By: [Signature]

Name:

Title:

Znza Agosta
Vice President
Wachovia Capital Finance Corporation
(Canada)

SIGNATURE PAGE TO EXTENSION
AGREEMENT

Wells Fargo Foothill, LLC

By: Rohan Damani
Name: Rohan Damani
Title: Vice President

Wells Fargo Financial Corporation Canada

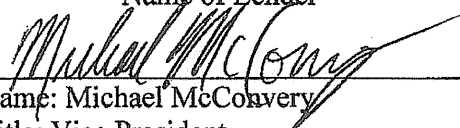
By: Katherine Kilbourne
Name: Katherine Kilbourne
Title: Executive Vice President

SIGNATURE PAGE TO EXTENSION
AGREEMENT

Sun Indalex Finance, LLC

Name of Lender

By:


Name: Michael McConvery
Title: Vice President

By: _____

Name:
Title:

CANADIAN GLOBAL SECURITY AMENDMENT (this "Agreement") dated as of March 12, 2009 among INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), INDALEX LIMITED, a Canadian corporation and a wholly-owned subsidiary of the Parent Borrower (the "Canadian Subsidiary Borrower" and, together with the Parent Borrower, the "Borrowers"), each subsidiary of the Parent Borrower identified herein (each, a "Subsidiary Party" and, together with the Parent Borrower and the Canadian Subsidiary Borrower, the "Canadian Collateral Parties"), JPMORGAN CHASE BANK, N.A. (the "Administrative Agent"), as Administrative Agent under the Credit Agreement referred to below, and as agent, mandatary and custodian (the "Attorney") for each Creditor (as defined in the Quebec Pledge Agreements).

WHEREAS Holdings (such term and each other capitalized term used but not defined herein having the meaning assigned to such terms in the Credit Agreement), the Borrowers, the Subsidiary Loan Parties, the Lenders party thereto from time to time and the Administrative Agent have entered into an Amended and Restated Credit Agreement dated as of May 21, 2008 (as amended by the Waiver (as defined below), and as otherwise amended, restated, and modified from time to time, the "Credit Agreement");

WHEREAS pursuant to the Credit Agreement, the Lenders and the Issuing Bank have agreed to extend credit to the Borrowers on the terms and subject to the conditions set forth therein;

WHEREAS Holdings, the Borrowers, the Subsidiary Loan Parties, the Lenders and the Administrative Agent have entered into Amendment No. 2, Waiver and Agreement to the Credit Agreement, dated as of March 6, 2009 (the "Waiver"), to effect certain waivers, amendments and agreements set forth therein;

WHEREAS the Borrowers, the Canadian Collateral Parties and the Administrative Agent have entered into Amendment No. 1 to the Canadian Security Agreement, dated as of March 6, 2009 (the "Canadian Security Agreement Amendment"), to effect certain amendments and agreements set forth therein;

WHEREAS the Canadian Collateral Parties and the Administrative Agent have entered into the Reaffirmation Agreement dated as of May 21, 2008 which reaffirmed and amended certain provisions in respect of the Foreign Security Agreements (the "Reaffirmation Agreement");

WHEREAS the Waiver contemplates the Canadian Security Agreement Amendment and requires the further amendment of certain provisions of the Foreign Security Agreements to give effect to the provisions thereof; and

WHEREAS the undersigned parties are willing to amend such provisions of the Foreign Security Agreements subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.

Amendment and Reaffirmation

SECTION 1.01. Reaffirmation. Each of the Canadian Collateral Parties hereby consents to the Waiver and the transactions contemplated thereby and hereby confirms its guarantees, pledges, mortgages, hypothecs, grants of security interests and other agreements, as applicable, under each of the Foreign Security Documents to which it is party set forth on Schedule 1 attached hereto (the "Canadian Security Documents"), and agrees that notwithstanding the effectiveness of the Waiver and the consummation of the transactions contemplated thereby, such guarantees, pledges, mortgages, hypothecs, grants of security interests and other agreements shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and the Lenders, subject to the terms of this Agreement.

SECTION 1.02. Amendment. Each of the Canadian Collateral Parties acknowledges and agrees that as of the date of this Agreement, each of the Canadian Security Documents shall secure, and is hereby further amended to provide that the obligations secured by each of the Canadian Security Documents includes, the U.S. Secured Obligations (including, without limitation, the U.S. Guaranteed Obligations as guaranteed by each Canadian Collateral Party as a Foreign Loan Guarantor under the Credit Agreement), and such agreements and acknowledgements are effected upon the following additional terms:

(a) the Canadian Security Agreement is amended on the terms set forth in the Canadian Security Agreement Amendment;

(b) notwithstanding the Reaffirmation Agreement, in Section 2 of each of the Canadian Trade-mark Security Agreements, the reference to the words "Secured Obligations" is hereby acknowledged and agreed to have the meaning given to such words in the Credit Agreement;

(c) in Section 1.2.4 of each of the Quebec Pledge Agreements, the phrase "Canadian Secured Obligations" shall be deleted and replaced with the phrase "Secured Obligations"; and

(d) notwithstanding the Reaffirmation Agreement, each reference to “Obligations” and “Indebtedness” in the Real Property Security Documents shall be deemed to refer to the Secured Obligations, as defined under the Credit Agreement, and it is hereby confirmed and acknowledged that the mortgage, hypothec, charge, pledge and security interests granted by each Canadian Collateral Party under such documents secures such Secured Obligations.

The parties hereto acknowledge that payment in full on account of the Secured Obligations constitutes payment in full under the Debentures.

With respect to the allocation of the proceeds of collateral as described in each Canadian Security Document among the Secured Obligations, the proceeds of any such collateral granted as security under each Canadian Security Document shall be allocated to the payment in full of the Canadian Secured Obligations prior to the payment in full of the U.S. Secured Obligations that constitute Secured Obligations.

The parties hereto agree that the Canadian Security Documents shall be deemed to be amended as of the date hereof in order to reflect the terms of this Section 1.02.

ARTICLE II.

Miscellaneous

SECTION 2.01. Notices. All notices and other communications hereunder shall be made at the addresses, in the manner and with the effect provided in Section 9.01 of the Credit Agreement, provided that, for this purpose, the address of each Canadian Collateral Party shall be the one specified for the Loan Parties under the Credit Agreement.

SECTION 2.02. Collateral Document. This Agreement is a Collateral Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

SECTION 2.03. Section Captions. Section captions used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

SECTION 2.04. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

SECTION 2.05. Amendment. This Agreement may be waived, modified or amended only by a written agreement executed by each of the parties hereto.

SECTION 2.06. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 2.07. Applicable Law; Waiver of Jury Trial. (A) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO.

(B) EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTION 9.10 OF THE CREDIT AGREEMENT AS IF SUCH SECTION WERE SET FORTH IN FULL HEREIN.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

INDALEX HOLDING CORP

By



Name: PATRICK LAWLER
Title: CFO

INDALEX LIMITED

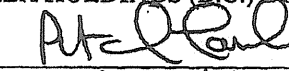
By



Name: PATRICK LAWLER
Title: CFO

INDALEX HOLDINGS (B.C.) LTD.

By



Name: PATRICK LAWLER
Title: CFO

NOVAR INC.

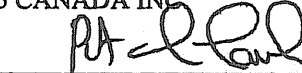
By



Name: PATRICK LAWLER
Title: CFO

6326765 CANADA INC

By




Name: PATRICK LAWLER
Title: CFO

ACKNOWLEDGED AND AGREED as of the day and year first above
written.

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and Attorney for each
Creditor (as defined in the Quebec Pledge
Agreements)

by


Name: Charles O. Franchot
Title: Managing Director

Canadian Security Documents

1. Canadian Security Agreement dated February 2, 2006 executed by Indalex Limited, each Foreign Loan Guarantor and the Parent Borrower in favour of the Administrative Agent;
2. Canadian Trade-Mark Security Agreement dated February 2, 2006 executed by Indalex Limited in favour of the Administrative Agent;
3. Canadian Trade-Mark Security Agreement dated May 21, 2008 executed by Indalex Limited in favour of the Administrative Agent (collectively with document #2 above, the "Canadian Trade-Mark Security Agreements") ;
4. Quebec Deed of hypothec dated February 2, 2006 executed by Indalex Limited in favour of the Attorney (as defined therein) and registered at the Montreal Land Registry Office on February 2, 2006 under number 13 033 043;
5. Quebec Collateral bond number 1 in the principal amount of Cdn. \$200,000,000 dated February 2, 2006 issued by Indalex Limited in favour of the Administrative Agent;
6. Quebec Pledge agreement re: Collateral Bond dated February 2, 2006 executed by Indalex Limited in favour of the Administrative Agent, the Attorney (as defined in the Indalex Deed) and the Creditors (as defined therein);
7. Quebec Deed of hypothec dated February 2, 2006 executed by 6461948 Canada Inc. in favour of the Attorney (as defined therein);
8. Quebec Collateral bond number 1 in the principal amount of Cdn. \$200,000,000 dated February 2, 2006 issued by 6461948 Canada Inc. in favour of the Administrative Agent;
9. Quebec Pledge agreement re: Collateral Bond dated February 2, 2006 executed by 6461948 Canada Inc. in favour of the Administrative Agent, the Attorney (as defined in the 6461948 Deed) and the Creditors (as defined therein) (collectively, together with document # 6 above, the "Quebec Pledge Agreements");
10. Debenture in the principal amount of Cdn. \$200,000,000 re: 7 Alloy Court, Toronto, Ontario (the "Toronto Debenture") dated February 2, 2006 issued by 6326765 Canada Inc. ("6326765") in favour of the Administrative Agent and registered in the Toronto Land Titles Office (No. 80) as a charge/mortgage on February 2, 2006 as Instrument No. AT1053604;
11. General assignment of leases and rents re: 7 Alloy Court, Toronto, Ontario dated February 2, 2006 issued by 6326765 in favour of the Administrative Agent and registered in the Toronto Land Titles Office (No. 80) on February 2, 2006 as Instrument No. AT1053605;

12. Trustee and beneficial owner agreement re: 7 Alloy Court, Toronto, Ontario dated February 2, 2006 issued by Indalex Limited and 6326765 in favour of the Administrative Agent;

13. Debenture in the principal amount of Cdn. \$200,000,000 re: 5675 Kennedy Road, Mississauga, Ontario dated February 2, 2006 (the "Mississauga Debenture") issued by 6326765 in favour of the Administrative Agent and registered in the Peel Land Titles Office (No. 43) as a charge/mortgage on February 2, 2006 as Instrument No. PR1008796, as partially discharged and released against lands described as Part of Lot 4, Concession 2, EHS, designated as Part 1 on Reference Plan 43R-29386, Mississauga (the lands now subject to the charge/mortgage are described as Parcel Identifiers 13291-1282(LT) and 13291-1236(LT));

14. General assignment of leases and rents re: 5675 Kennedy Road, Mississauga, Ontario dated February 2, 2006 issued by 6326765 in favour of the Administrative Agent and registered in the Peel Land Titles Office (No. 43) on February 2, 2006 as Instrument No. PR1008797, as partially discharged and released against lands described as Part of Lot 4, Concession 2, EHS, designated as Part 1 on Reference Plan 43R-29386, Mississauga (the lands now subject to the general assignment of leases and rents are described as Parcel Identifiers 13291-1282(LT) and 13291-1236(LT));

15. Trustee and beneficial owner re: 5675 Kennedy Road, Mississauga, Ontario dated February 2, 2006 issued by Indalex Limited and 6326765 in favour of the Administrative Agent, as partially discharged and released against lands described as Part of Lot 4, Concession 2, EHS, designated as Part 1 on Reference Plan 43R-29386, Mississauga (the lands now subject to the beneficial charge are described as Parcel Identifiers 13291-1282(LT) and 13291-1236(LT));

16. Debenture in the principal amount of Cdn. \$200,000,000 re: 3016 58th Avenue S.E., Calgary, Alberta (the "Alberta Debenture") dated February 2, 2006 issued by Indalex Limited in favour of the Administrative Agent and registered at the Alberta Land Titles Office on February 15, 2006 as Instrument No. 061 067 977;

17. Assignment of rents re: 3016 58th Avenue S.E., Calgary, Alberta dated February 2, 2006 issued by Indalex Limited in favour of the Administrative Agent and the caveat registered in respect thereof at the Alberta Land Titles Office on February 15, 2006 as Instrument No. 061 067 978;

18. Form B Mortgage Part I and a debenture attached as Express Mortgage Terms Part II in the principal amount of Cdn. \$200,000,000 re: 1765 Coast Meridian Road, Port Coquitlam, British Columbia (the "BC Debenture" and collectively, together with the Toronto Debenture, the Mississauga Debenture and the Alberta Debenture, the "Debentures") dated February 2, 2006 issued by Indalex Holdings (B.C.) Ltd. in favour of the Administrative Agent and registered in the New Westminster Land Title Office on February 8, 2006 as Instrument No. BA463980;

19. General assignment of rents re: 1765 Coast Meridian Road, Port Coquitlam, British Columbia dated February 2, 2006 issued by Indalex Holdings (B.C.) Ltd. in favour of the Administrative Agent and registered in the New Westminster Land Title Office on February 8, 2006 as Instrument No. BA463981; and

20. Beneficiary authorization and charge agreement re: 1765 Coast Meridian Road, Port Coquitlam, British Columbia dated February 2, 2006 executed by Indalex Limited and Indalex Holdings (B.C.) Ltd. in favour of the Administrative Agent (collectively, documents #10 above through #20, the "Real Property Security Documents").

Blank
Divider
Sheet

AMENDMENT NO. 2, WAIVER AND AGREEMENT dated as of March 6, 2009 (this "Amendment"), among INDALEX HOLDINGS FINANCE, INC., a Delaware corporation ("Holdings"), INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), INDALEX LIMITED, a Canadian corporation (the "Canadian Subsidiary Borrower" and, together with the Parent Borrower, the "Borrowers"), the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent"), issuing bank and swingline lender under the Credit Agreement referred to below, to the AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 21, 2008 (as amended, supplemented or otherwise modified prior to the effectiveness of this Amendment, the "Credit Agreement"), among Holdings, the Borrowers, the other Subsidiaries of the Parent Borrower party thereto, the Lenders party thereto and the Administrative Agent. Capitalized terms used in this Amendment but not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS pursuant to the Credit Agreement, the Lenders and the Issuing Bank have agreed to extend credit to the Borrowers on the terms and subject to the conditions set forth therein;

WHEREAS the Parent Borrower has requested that the Lenders (a) grant a waiver of the conditions to funding set forth in Section 4.02 of the Credit Agreement and (b) amend certain provisions of the Credit Agreement; and

WHEREAS the undersigned Lenders are willing to waive and amend such provisions of the Credit Agreement subject to the conditions and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

SECTION 1. Acknowledgment of Events of Default; Reservation of Rights. (a) Each of Holdings and the Borrowers hereby acknowledges and agrees that, as of the date hereof, Events of Default arising from the failures specified in clauses (i), (ii), (iii) and (iv) of Section 2(b) hereof have occurred and are continuing (such Events of Default, collectively, the "Specified Events of Default").

(b) Except as expressly provided in Section 2 hereof, this Amendment does not constitute a waiver of any rights or remedies that the Administrative Agent or the Lenders may have under the Credit Agreement and the other Loan Documents arising out of or with respect to any Specified Event of Default or any other Event of

Default, which rights and remedies are hereby reserved, nor does this Amendment establish a precedent or course of dealing among the parties hereto with respect to any Specified Event of Default or any other Event of Default occurring on or after the Amendment No. 2 Effective Date (as defined in Section 29 hereof).

SECTION 2. Waivers. (a) Subject to clause (c) below, the Lenders hereby waive the condition precedent to the making of any Loan set forth in Section 4.02(a)(i) of the Credit Agreement solely with respect to the representation and warranty set forth in Section 3.07 of the Credit Agreement (insofar as such representation and warranty relates to compliance with the interest payment requirements of the Senior Secured Notes Indenture).

(b) Subject to clause (c) below, the Lenders hereby waive the condition precedent to the making of any Loan set forth in Section 4.02(a)(ii) of the Credit Agreement solely with respect to the Defaults arising directly as a result of (i) the failure of the Borrowers to make the semi-annual interest payment (due February 2, 2009) on the Senior Secured Notes, (ii) the failure of the Borrowers to comply with Section 6.12 of the Credit Agreement, (iii) the failure by the Borrowers to make any prepayments required to be made pursuant to Section 2.11(b) of the Credit Agreement prior to the Amendment No. 2 Effective Date and (iv) the failure by the Borrowers to make the scheduled interest payment (due February 27, 2009) on the Term Loans.

(c) The waivers provided for in paragraphs (a) and (b) of this Section shall terminate and expire at the earliest of (i) 11:59 p.m., New York City time, on March 27, 2009, (ii) the occurrence of any event set forth in clause (h) of Article VII of the Credit Agreement (but without the requirement that such case, action, proceeding or petition continue undismissed for 60 days), (iii) the occurrence of any other Event of Default and (iv) the acceleration of the Senior Secured Notes or the taking of any other action by any holder of the Senior Secured Notes in respect of the enforcement of payment on the Senior Secured Notes, and at all times thereafter the Credit Agreement shall apply in all respects, and the Administrative Agent, the Issuing Bank and the Lenders shall have all such rights and remedies, as if such waivers had never been granted. The period commencing on the date hereof through and including the termination of the waivers provided for in paragraphs (a) and (b) of this Section is referred to herein as the "Waiver Period".

SECTION 3. Amendments to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended as follows:

(a) by inserting the following text immediately following the last paragraph of the definition of "Applicable Rate" in such Section:

Notwithstanding the foregoing, for any day on and after February 2, 2009, "Applicable Rate" means, with respect to any (a) Term Loan, (i) 7.50% per annum, in the case of any Eurodollar Term Loan, and (ii) 6.50% per annum, in the case of any ABR Term Loan, provided that, at any time when Average Availability is less than \$35,000,000, the

Applicable Rate with respect to any Term Loan shall be (x) 8.25% per annum, in the case of any Eurodollar Term Loan, and (y) 7.25% per annum, in the case of any ABR Term Loan, (b) Eurodollar Revolving Loan or B/A Drawing, 6.25% per annum, (c) ABR Revolving Loan, U.S. Base Rate Revolving Loan or Canadian Base Rate Revolving Loan, 5.25% per annum and (d) Commitment Fee payable pursuant to Section 2.12, 0.375% per annum.

(b) by replacing each occurrence of the text “Canadian Secured Obligations” in the definitions of “Canadian Mortgage”, “Foreign Mortgage” and “Foreign Subsidiary Loan Party” with the text “Secured Obligations”;

(c) by inserting the following text immediately after the text “Foreign Subsidiary Loan Party” in the definition of “Foreign Loan Guarantor” in such Section:

and the Canadian Subsidiary Borrower (except with respect to the Canadian Secured Obligations owed by the Canadian Subsidiary Borrower)

(d) by adding the following text immediately after the text “Section 2.21(a)” in the definition of “Incremental Term Loans” in such Section:

(it being understood that the aggregate principal amount of each Incremental Term Loan may be increased by a PIK Increase in respect thereof pursuant to Section 2.13(d))

(e) by adding the following text immediately after the text “Section 2.01(c)” in the definition of “Initial Term Loan” in such Section:

, as the aggregate principal amount thereof may be increased by a PIK Increase in respect thereof pursuant to Section 2.13(d)

(f) by amending and restating in its entirety the definition of “Interest Payment Date” in such Section as follows:

“Interest Payment Date” means (a) with respect to any ABR, U.S. Base Rate or Canadian Base Rate Loan (including any Swingline Loan), the last day of (i) each calendar month and the Maturity Date, in the case of any Revolving Loan or Swingline Loan, and (ii) each March, June, September and December and the Maturity Date, in the case of any Term Loan, and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of (i) a Eurodollar Revolving Loan with an Interest Period of more than one month’s duration, each day prior to the last day of such Interest Period that occurs at intervals of one month’s duration after the first day of such Interest Period and the Maturity Date and (ii) a Eurodollar Term Loan with an Interest Period of more than three months’

duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date.

(g) by adding the following new sentence at the end of the definition of "Loans" in such Section:

The term "Loans" shall include, with respect to any Term Loan, any increase in the aggregate principal amount of such Term Loan in connection with a PIK Increase in respect thereof.

(h) by amending and restating in its entirety the definition of "Required Lenders" in such Section as follows:

"Required Lenders" means, at any time, Lenders having Voting Units representing more than 50% of the sum of the aggregate Voting Units at such time. For purposes of this definition, the "Voting Units" of any Lender shall be equal to (a) with respect to any Revolving Lender at any time, an amount equal to the product of (i) the Revolving Consent Allocated Amount (as defined below) multiplied by (ii) the quotient obtained by dividing (A) the Revolving Exposure and unused Revolving Commitments of such Revolving Lender at such time by (B) the aggregate Revolving Exposure and unused Revolving Commitments of all Revolving Lenders at such time, and (b) with respect to any Term Lender at any time, an amount equal to the product of (i) the Term Consent Allocated Amount (as defined below) multiplied by (ii) the quotient obtained by dividing (A) the outstanding Term Loans of such Term Lender at such time by (B) the aggregate outstanding Term Loans of all Term Lenders at such time. For purposes of this definition, (x) the term "Term Consent Allocated Amount" shall mean an amount equal to the quotient obtained by dividing \$30,000,000 by \$230,000,000, and (y) the term "Revolving Consent Allocated Amount" shall mean an amount equal to 1.00 less the Term Consent Allocated Amount.

(i) by inserting the following text immediately after the text "Canadian Secured Obligations" in the definition of "U.S. Loan Guarantor" in such Section:

and the U.S. Secured Obligations (except with respect to the U.S. Secured Obligations owed by the Parent Borrower)

(j) by adding the following new definitions in the appropriate alphabetical order:

"Amendment No. 2" means Amendment No. 2, Waiver and Agreement dated as of March 6, 2009, among Holdings, the Borrowers, the Lenders party thereto, the Administrative Agent, the Issuing Bank and the Swingline Lender.

“Amendment No. 2 Effective Date” has the meaning assigned to such term in Amendment No. 2.

“Canadian Availability Block” means an amount equal to \$2,000,000.

“Domestic Availability Block” means an amount equal to \$13,000,000.

“PIK Increase” has the meaning assigned to such term in Section 2.13(d).

SECTION 4. Amendments to Section 2.01. Section 2.01 of the Credit Agreement is hereby amended as follows:

(a) by replacing the text “the Domestic Borrowing Base then in effect” in clause (a) of such Section with the text “an amount equal to (x) the Domestic Borrowing Base then in effect minus (y) the Domestic Availability Block”;

(b) by replacing the text “the Canadian Borrowing Base then in effect” in clause (b) of such Section with the text “an amount equal to (x) the Canadian Borrowing Base then in effect minus (y) the Canadian Availability Block”; and

(c) by adding the following sentence immediately following clause (c) of such Section:

Subject to the terms and conditions set forth herein, each Term Lender consents to the increase in the principal balance of the Term Loans of such Term Lender from time to time pursuant to the terms of Section 2.13(d) as a result of the imposition of PIK Increases.

SECTION 5. Amendment to Section 2.03. Section 2.03 of the Credit Agreement is hereby amended by deleting clauses (b) and (c) of such Section in their entirety and inserting the following text in lieu thereof:

(b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing, (c) in the case of a Canadian Base Rate Revolving Borrowing, not later than 11:00 a.m., Toronto time, on the date of the proposed Borrowing

SECTION 6. Amendment to Section 2.04. Section 2.04(a) of the Credit Agreement is hereby amended by replacing the text “\$5,000,000” with the text “\$0”.

SECTION 7. Amendments to Section 2.05. Section 2.05(b) of the Credit Agreement is hereby amended as follows:

(a) by replacing the text “the Domestic Borrowing Base then in effect” in such Section with the text “an amount equal to (x) the Domestic Borrowing Base then in effect minus (y) the Domestic Availability Block”;

(b) by replacing the text “the Canadian Borrowing Base then in effect” in such Section with the text “an amount equal to (x) the Canadian Borrowing Base then in effect minus (y) the Canadian Availability Block”.

SECTION 8. Amendment to Section 2.09. Section 2.09(b) of the Credit Agreement is hereby amended as follows:

(a) by replacing the text “the Domestic Borrowing Base then in effect” in such Section with the text “an amount equal to (x) the Domestic Borrowing Base then in effect minus (y) the Domestic Availability Block”; and

(b) by replacing the text “the Canadian Borrowing Base then in effect” in such Section with the text “an amount equal to (x) the Canadian Borrowing Base then in effect minus (y) the Canadian Availability Block”.

SECTION 9. Amendment to Section 2.10. Section 2.10 of the Credit Agreement is hereby amended by inserting the following new sentence at the end of paragraph (b) of such Section:

The parties hereto agree that full cash dominion shall be in effect at all times on and after the Amendment No. 2 Effective Date, subject to the terms of Section 3.06 of each of the Domestic Security Agreement and the Canadian Security Agreement (in each case as amended as of the Amendment No. 2 Effective Date).

SECTION 10. Amendments to Section 2.11. Section 2.11(b) of the Credit Agreement is hereby amended as follows:

(a) by replacing the text “the Domestic Borrowing Base then in effect” in such Section with the text “an amount equal to (x) the Domestic Borrowing Base then in effect minus (y) the Domestic Availability Block”; and

(b) by replacing the text “the Canadian Borrowing Base then in effect” in such Section with the text “an amount equal to (x) the Canadian Borrowing Base then in effect minus (y) the Canadian Availability Block”.

SECTION 11. Amendments to Section 2.12. Section 2.12 of the Credit Agreement is hereby amended as follows:

(a) by replacing the text “March, June, September and December” in paragraph (a) of such Section with the text “calendar month”; and

(b) by replacing the text “March, June, September and December” in paragraph (b) of such Section with the text “calendar month”.

SECTION 12. Amendment to Section 2.13. Section 2.13(d) of the Credit Agreement is hereby amended by deleting the last sentence of such Section and inserting the following text in lieu thereof:

Notwithstanding the foregoing, on and after the Amendment No. 2 Effective Date, any interest accrued and payable on each Term Loan included in any Term Borrowing pursuant to this Section 2.13 shall be payable on the applicable Interest Payment Date by increasing the outstanding principal amount of each Term Loan included in such Term Borrowing by the aggregate amount of such accrued interest (a "PIK Increase"). The Administrative Agent shall determine the amount of each PIK Increase, and such determination shall be conclusive absent manifest error.

SECTION 13. Amendment to Section 2.21(a). Subclause (B) of the second sentence of paragraph (a) of Section 2.21 is hereby amended by adding the text "(except as such amount may be increased from time to time as the result of the imposition of PIK Increases)" immediately after the text "\$15,000,000".

SECTION 14. Amendments to Section 5.11. Section 5.11 of the Credit Agreement is hereby amended as follows:

(a) by replacing the text "Canadian Secured Obligations" in paragraph (c) of such Section with the text "Secured Obligations"; and

(b) by replacing the text "Canadian Secured Obligations" in paragraph (e) of such Section with the text "Secured Obligations".

SECTION 15. Amendment to Section 9.02. Section 9.02(b) of the Credit Agreement is hereby amended by adding the text ", the Domestic Availability Block and the Canadian Availability Block" immediately after the text "the Availability Block" in clause (ix) of Section 9.02(b).

SECTION 16. Amendments to Section 9.24. Section 9.24(a) of the Credit Agreement is hereby amended as follows:

(a) by inserting the text ", notwithstanding any provision in any other Loan Document to the contrary," immediately after the text "Each of the Lenders hereby agrees that" in such Section;

(b) by inserting the text "(other than the Canadian Security Agreement or any other Foreign Security Agreement)" immediately following the first occurrence of the text "U.S. Obligations" in such Section;

(c) by deleting in its entirety clause (ii) of such Section and replacing it with the following text:

(ii) SECOND, until the Discharge of Revolving Lender Claims (except in respect of the Canadian Secured Obligations) has occurred, to the payment of the U.S. Secured Obligations (other than the U.S. Term Obligations) (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the U.S. Secured Obligations (other than the U.S. Term Obligations) owed to them on the date of any such distribution);

(d) by replacing text (i) “THIRD” in the existing clause (iii) of such Section with the text “FOURTH” and (ii) “FOURTH” in the existing clause (iv) of such Section with the text “FIFTH”; and

(e) by inserting the following new clause (iii) immediately after clause (ii) of such Section and renumbering the remaining clauses of such Section accordingly:

(iii) THIRD, until the Discharge of Revolving Lender Claims has occurred, to the payment of the Canadian Secured Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Canadian Secured Obligations owed to them on the date of any such distribution);

SECTION 17. Amendments to Section 10.01. Section 10.01 is hereby amended as follows:

(a) by inserting the text “the U.S. Guaranteed Obligations (other than the U.S. Term Obligations) and” immediately prior to the first occurrence of the text “the Canadian Secured Obligations” in paragraph (b) of such Section; and

(b) by inserting the text “the U.S. Guaranteed Obligations and (other than the U.S. Term Obligations)” immediately prior to the text “the Foreign Guaranteed Obligations” in paragraph (b) of such Section.

SECTION 18. Amendment to Section 10.10. Section 10.10(b) of the Credit Agreement is hereby amended by replacing the text “Foreign Guaranteed Obligations” in the last sentence of such Section with the text “Guaranteed Obligations”.

SECTION 19. Collateral Document Amendments. The Lenders hereby consent to the amendment of each of (a) the Domestic Security Agreement pursuant to an amendment (the “Domestic Security Amendment”) substantially as set forth in Exhibit A hereto, (b) the Canadian Security Agreement pursuant to an amendment (the “Canadian Security Amendment”) substantially as set forth in Exhibit B hereto and (c) the Canadian Mortgages, the Canadian Hypothecs and any other Foreign Security Agreements (collectively, the “Foreign Security Amendments”) as the Administrative Agent shall determine, in its reasonable discretion, to be necessary to grant a Lien to the Administrative Agent, for the benefit of the Secured Parties, in the Collateral of the Canadian Subsidiary Borrower and each Foreign Subsidiary Loan Party, which Lien shall secure the U.S. Secured Obligations in addition to the Canadian Secured Obligations.

With respect to the allocation of the proceeds of Collateral among the Secured Revolving Obligations, each Foreign Security Amendment shall provide that the proceeds of any Collateral granted as security under each Canadian Mortgage, each Canadian Hypothec and each other Foreign Security Agreement shall be allocated to the payment in full of the Canadian Secured Obligations prior to the payment in full of the U.S. Secured Obligations that constitute Secured Revolving Obligations.

SECTION 20. Agreements. (a) Each of Holdings, the Borrowers and the Lenders agrees that, as of the Amendment No. 2 Effective Date, the aggregate Revolving Commitments shall be deemed to have been reduced in accordance with Section 2.09(b) of the Credit Agreement by an aggregate principal amount equal to \$50,000,000 (with a corresponding reduction in the Canadian Revolving Sub-Commitment by an aggregate principal amount equal to \$20,000,000). The Administrative Agent and the Lenders hereby waive the requirement of prior notice set forth in Section 2.09(c) of the Credit Agreement in respect of the Revolving Commitment reduction (and the corresponding Canadian Revolving Sub-Commitment reduction) contemplated by this Section.

(b) Each of Holdings, the Borrowers and the Lenders agrees that, notwithstanding the provisions set forth in the definition of the term “PP&E Component” in Section 1.01 of the Credit Agreement, during the Waiver Period, the reference to “20%” in the proviso set forth in each of clauses (a)(i) and (b)(i) of such definition shall be deemed to be a reference to “25%” for purposes of calculating the Domestic Borrowing Base and the Canadian Borrowing Base, respectively, during the Waiver Period.

(c) Each of Holdings, the Borrowers and the Lenders agrees that, notwithstanding the provisions of Section 5.01(f) of the Credit Agreement, Holdings and the Borrowers will furnish to the Administrative Agent, on each Wednesday following the Amendment No. 2 Effective Date (beginning on March 11, 2009), a Borrowing Base Certificate and supporting information for the week ended on the immediately preceding Friday, together with any additional reports with respect to each of the Domestic Borrowing Base and the Canadian Borrowing Base as the Administrative Agent may reasonably request, provided that Holdings and the Borrowers will furnish to the Administrative Agent, not later than 11:00 a.m., New York City time, on each day, a revised Borrowing Base Certificate setting forth the aggregate amount of Eligible Accounts as of 5:00 p.m., New York City time, on the immediately preceding day.

(d) Each of Holdings, the Borrowers and the Lenders agrees that (i) as of the Amendment No. 2 Effective Date, the Administrative Agent shall have established a Reserve in respect of the Domestic Borrowing Base in an aggregate amount equal to US\$1,307,000 with respect to Swap Obligations outstanding as of the Amendment No. 2 Effective Date and (ii) the Administrative Agent may establish such further Reserves with respect to Swap Obligations in accordance with the terms of the Credit Agreement, provided that Holdings and the Borrowers hereby waive each of (x) the five Business Day advance notice requirement set forth in each of the definitions of “Domestic Borrowing Base” and “Canadian Borrowing Base” in

Section 1.01 of the Credit Agreement and (y) the \$5,000,000 threshold set forth in the definition of the term “Reserves” in Section 1.01 of the Credit Agreement, in each case in respect of the establishment of any such Reserve pursuant to this paragraph (d).

(e) Holdings and the Borrowers agree to engage, promptly and, in any event, not later than three Business Days after the Amendment No. 2 Effective Date, and thereafter maintain, a financial advisor of recognized national standing to review, and to advise the management of Holdings and the Borrowers concerning, the business, finances and condition of Holdings, the Borrowers and the Subsidiaries.

(f) Holdings and the Borrowers agree to participate, and to cause their respective management to participate, in conference calls with the Administrative Agent and the Lenders, to be held on a weekly basis at such times as reasonably requested by the Administrative Agent, to discuss the business, finances and condition of Holdings, the Borrowers and the Subsidiaries and to update the Administrative Agent and the Lenders with respect to such operational matters as the Administrative Agent or any Lender may request by reasonable advance notice to Holdings and the Borrowers.

(g) Holdings and the Borrowers agree to deliver to the Administrative Agent and the Lenders (i) not later than March 13, 2009, a plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and funds flow statement) of Holdings, the Borrowers and the Subsidiaries on a consolidated basis, in form and substance reasonably satisfactory to the Financial Advisor (as defined in Section 23(a) hereof), for a seven-month period beginning March 1, 2009, and (ii) not later than March 20, 2009, a comprehensive restructuring plan with respect to the operations and Indebtedness of Holdings, the Borrowers and the Subsidiaries, satisfactory in all material respects to the Administrative Agent and the Lenders, including a detailed analysis of the proposed treatment of the Senior Secured Notes.

SECTION 21. Prohibitions on Certain Transactions. For so long as any Specified Event of Default or any other Event of Default has occurred and is continuing, neither Holdings nor the Borrowers will, nor will they permit any Subsidiary to, effect any transaction that would be permitted by:

(a) Section 6.01 of the Credit Agreement, other than clauses (a), (g), (h) and (n) thereof;

(b) Section 6.02 of the Credit Agreement, other than clauses (a), (b), (f), (k) and (u) thereof;

(c) Section 6.04 of the Credit Agreement, other than clauses (a), (g), (j), (k) and (l) thereof;

(d) Section 6.05 of the Credit Agreement, other than clauses (a)(i), (c), (h) and (n) thereof;

- (e) Section 6.06 of the Credit Agreement;
- (f) Section 6.07 of the Credit Agreement; and
- (g) Section 6.08 of the Credit Agreement, other than clauses (a)(i), (a)(ii), (a)(iii), (a)(vi), (a)(xi), (a)(xii), (b)(i) and (b)(vii)(A) thereof.

SECTION 22. Financial Information; Use of Proceeds. Holdings and the Borrowers hereby agree to furnish to the Administrative Agent and the Financial Advisor (for distribution to the Lenders), on each Wednesday after the Amendment No. 2 Effective Date (beginning on March 11, 2009), (a) a cash flow forecast for Holdings, the Borrowers and the Subsidiaries and a forecast of the Domestic Borrowing Base and the Canadian Borrowing Base (on a consolidated basis), in each case for the immediately succeeding thirteen-week period commencing on the immediately preceding Friday and setting forth projected cash flows and the projected amount of each of the Domestic Borrowing Base and the Canadian Borrowing Base (on a consolidated basis), in each case on a weekly basis (which delivery by Holdings and the Borrowers shall constitute a representation and warranty by Holdings and the Borrowers that such projections are based upon reasonable assumptions, in light of current market conditions, and that such cash flow forecast reflects cash disbursements that are necessary for the ordinary course operation of the respective businesses of Holdings, the Borrowers and the Subsidiaries during such period), (b) an analysis of actual cash flows (including receipts and disbursements) of Holdings, the Borrowers and the Subsidiaries for the immediately preceding week ending on such immediately preceding Friday and a reconciliation of projected cash flows for such week to actual cash flows for such week and (c) a report containing any other information relating to the financial condition and operations of Holdings, the Borrowers and the Subsidiaries as the Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Administrative Agent and certified by a Financial Officer. The proceeds of any Borrowings made under the Credit Agreement shall be used in a manner consistent with the weekly cash flow forecasts delivered to the Administrative Agent in accordance with this Section.

SECTION 23. Cooperation. (a) Each of Holdings and the Borrowers agrees to provide to Marotta Gund Budd & Dzera, LLC, a financial advisor engaged by counsel to the Administrative Agent (the "Financial Advisor"), access to its management and employees, at the reasonable request of the Financial Advisor, to review and discuss the business, finances and condition of Holdings, the Borrowers and the Subsidiaries.

(b) Each of Holdings and the Borrowers shall cooperate with, and provide assistance to, the Administrative Agent and the Financial Advisor in their performance of reasonable due diligence activities with respect to Holdings, the Borrowers and the Subsidiaries, including, at the Administrative Agent's option, an examination of accounts receivable, inventory, property and equipment, cash, accounting policies and procedures and such other aspects of the operations, business affairs and financial condition of Holdings, the Borrowers and the Subsidiaries, as the Administrative Agent may reasonably request.

(c) No later than five Business Days after written demand therefor, the Parent Borrower shall pay all reasonable costs and out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including all reasonable fees, charges and disbursements of the Financial Advisor and counsel to the Administrative Agent) in connection with any such activities described in paragraphs (a) and (b) of this Section.

SECTION 24. Post-Effective Amendments. No later than the date that is three Business Days after the Amendment No. 2 Effective Date (or such longer period as the Administrative Agent, in its reasonable discretion, may permit), each of Holdings and the Borrowers shall, and shall cause each Subsidiary to, execute and deliver to the Administrative Agent each Foreign Security Amendment and shall take, or cause to be taken, such further actions which may be required by law or which the Administrative Agent may reasonably request to carry out the terms and conditions of the Foreign Security Amendments.

SECTION 25. Events of Default. Any failure by Holdings or any Borrower to comply with any term, condition or agreement set forth in Section 20, 21, 22, 23 or 24 of this Amendment shall constitute an immediate Event of Default for all purposes of the Loan Documents.

SECTION 26. Amendment No. 2 Effective Date Borrowings. The parties hereto agree that the Incremental Interest (as defined in Section 29(e) hereof) will be capitalized in the form of Borrowings made under the Credit Agreement on the Amendment No. 2 Effective Date as follows: on the Amendment No. 2 Effective Date, (a) the Parent Borrower shall be deemed to have made, and the Lenders shall be deemed to have funded, an ABR Revolving Borrowing in an aggregate principal amount equal to \$194,026.90 and (b) the Canadian Subsidiary Borrower shall be deemed to have made, and the Lenders shall be deemed to have funded, a U.S. Base Rate Revolving Borrowing in an aggregate principal amount equal to \$78,554.75 (collectively, the "Amendment No. 2 Effective Date Borrowings"). The Administrative Agent and the Lenders hereby waive (i) the minimum borrowing requirements set forth in Section 2.02(c) of the Credit Agreement in connection with the Amendment No. 2 Effective Date Borrowings and (ii) the requirement of prior notice and the requirement of a Borrowing Request, in each case set forth in Section 2.03 of the Credit Agreement, in connection with the Amendment No. 2 Effective Date Borrowings. In accordance with Section 2.08(c) of the Credit Agreement, the Administrative Agent, on behalf of and at the request of the Required Lenders, is hereby providing notice to the Parent Borrower that, for so long as an Event of Default is continuing, none of the Amendment No. 2 Effective Date Borrowings may be converted to or continued as a Eurodollar Borrowing.

SECTION 27. Overadvances. Notwithstanding any provision of the Credit Agreement or this Amendment to the contrary, the Revolving Lenders may make Revolving Loans to the Borrowers in amounts that exceed Domestic Availability and Canadian Availability (as each such term is defined below) (any such excess Revolving Loans are herein referred to collectively as "Overadvances") and no Overadvance shall result in a Default due to either Borrower's failure to comply with Section 2.01 or Section

2.11(b) of the Credit Agreement for so long as such Overadvance remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such permitted Overadvance. All Overadvances shall constitute ABR Borrowings, Canadian Base Rate Borrowings or U.S. Base Rate Borrowings, as the case may be, and the aggregate principal amount of Overadvances outstanding at any time shall not exceed (x) in the case of Overadvances made to the Parent Borrower, \$4,711,000 and (y) in the case of Overadvances made to the Canadian Subsidiary Borrower, an amount the U.S. Dollar Equivalent of which (determined using exchange rates in effect as of 9:00 a.m., New York City time, on each day) is \$1,588,000. No Overadvance shall be permitted hereunder if such Overadvance shall cause (1) any Revolving Lender's Revolving Exposure to exceed its Revolving Commitment or (2) any Revolving Lender's Canadian Revolving Exposure to exceed its Canadian Revolving Sub-Commitment. For purposes of this Section, (a) "Domestic Availability" shall mean, at any time, an amount equal to (i) the Domestic Borrowing Base at such time minus (ii) the Domestic Availability Block minus (iii) the aggregate U.S. Revolving Exposure at such time and (b) "Canadian Availability" shall mean, at any time, an amount equal to (i) the Canadian Borrowing Base at such time minus (ii) the Canadian Availability Block minus (iii) the aggregate Canadian Revolving Exposure at such time.

SECTION 28. Representations and Warranties. Holdings and each Borrower represents and warrants to the Administrative Agent and to each of the Lenders that:

(a) This Amendment has been duly authorized, executed and delivered by Holdings, each Borrower and each other Loan Party and constitutes a legal, valid and binding obligation of Holdings, each Borrower and each other Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) After giving effect to this Amendment, the representations and warranties set forth in Article III of the Credit Agreement (other than the representation and warranty set forth in Section 3.07 of the Credit Agreement (insofar as such representation and warranty relates to compliance with the interest payment requirements of the Senior Secured Notes Indenture)) are true and correct in all material respects on and as of the date hereof after giving effect to this Amendment, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(c) Immediately after giving effect to this Amendment, no Default (other than the Specified Events of Default) shall have occurred and be continuing.

SECTION 29. Conditions to Effectiveness. This Amendment shall become effective as of the date first written above (such date being the "Amendment No. 2 Effective Date") when:

(a) the Administrative Agent (or its counsel) shall have received (i) from Holdings, each Borrower, each other Loan Party, each Term Lender and Lenders having Revolving Exposure and unused Revolving Commitments representing more than 66 2/3% of the sum of the total Revolving Exposure and total unused Revolving Commitments immediately prior to the Amendment No. 2 Effective Date either (A) a counterpart of this Amendment signed on behalf of such party or (B) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment and (ii) a duly executed copy of each of the Domestic Security Amendment and the Canadian Security Amendment;

(b) the Administrative Agent and the Lenders shall have received payment of all fees and expenses required to be paid or reimbursed by the Parent Borrower or any other Loan Party under or in connection with this Amendment and any other Loan Document, including those expenses set forth in Section 35 hereof;

(c) the Administrative Agent shall have received a certificate of a Financial Officer setting forth reasonably detailed calculations of the Fixed Charge Coverage Ratio as of the last day of each of the four-consecutive-fiscal-quarter periods ended September 30, 2008, and December 31, 2008;

(d) the Administrative Agent shall have received from Holdings and the Borrowers (i) a Borrowing Base Certificate and supporting information for the week ended on March 1, 2009, and (ii) a cash flow forecast for Holdings, the Borrowers and the Subsidiaries and a forecast of the Domestic Borrowing Base and the Canadian Borrowing Base (on a consolidated basis), in each case for the immediately succeeding thirteen-week period commencing on February 27, 2009, and setting forth projected cash flows and the projected amount of each of the Domestic Borrowing Base and the Canadian Borrowing Base (on a consolidated basis), in each case on a weekly basis (which delivery by Holdings and the Borrowers shall constitute a representation and warranty by Holdings and the Borrowers that such projections are based upon reasonable assumptions, in light of current market conditions, and that such cash flow forecast reflects cash disbursements that are necessary for the ordinary course operation of the respective businesses of Holdings, the Borrowers and the Subsidiaries during such period); and

(e) (i) the Administrative Agent shall have received, for the account of the Lenders entitled thereto, payment from the Borrowers of all accrued and unpaid interest on the Loans outstanding under the Credit Agreement as of the Amendment No. 2 Effective Date (calculated after giving effect to the amendment to the definition of "Applicable Rate" contemplated by Section 3(a) hereof) and (ii) the Administrative Agent, the Issuing Bank and the Lenders shall have received payment from the

Borrowers of all accrued and unpaid fees (including, without limitation, Commitment Fees, Participation Fees and Fronting Fees) under the Credit Agreement as of the Amendment No. 2 Effective Date (calculated after giving effect to the amendment to the definition of “Applicable Rate” contemplated by Section 3(a) hereof), provided that the portion of the accrued and unpaid interest on the Loans and the accrued and unpaid fees payable pursuant to this paragraph (e) resulting from the increase in the Applicable Rate contemplated by Section 3(a) hereof (collectively, the “Incremental Interest”) shall be capitalized in the form of Borrowings made by the Borrowers pursuant to Section 26 hereof.

SECTION 30. Credit Agreement. Except as expressly set forth herein, this Amendment (a) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Issuing Bank, the Swingline Lender, Holdings, the Borrowers or any other Loan Party under the Credit Agreement or any other Loan Document and (b) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle Holdings, the Borrowers or any other Loan Party to any future consent to, or waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. After the date hereof, any reference in the Loan Documents to the Credit Agreement shall mean the Credit Agreement as modified hereby. This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 31. Reaffirmation. Each of Holdings, the Borrowers and the other Loan Parties hereby confirms its guarantees, pledges, mortgages, hypothecs, grants of security interest and other agreements, as applicable, under each of the Credit Agreement and the other Loan Documents to which it is a party and agrees that, notwithstanding the effectiveness of this Amendment and the consummation of the transactions contemplated hereby, such guarantees, pledges, mortgages, hypothecs, grants of security interest and other agreements shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and the other Secured Parties as described in the Credit Agreement and the other Loan Documents, as applicable.

SECTION 32. Release. Each of Holdings, the Borrowers and the other Loan Parties (a) acknowledges and agrees that it does not have any claim, cause of action or similar right of any kind or nature (collectively, “Claims”) against any Lender, the Administrative Agent, the Issuing Bank or any of their respective Affiliates (collectively, the “Released Parties”) arising out of, relating to or otherwise connected with any of the Loan Documents, the transactions thereunder or the actions or inactions of any of the Released Parties thereunder or in connection therewith and (b) hereby waives, releases and discharges each Released Party from any and all such Claims, whether known or unknown. The foregoing acknowledgment and release is given as consideration for the agreements and waivers provided for in this Amendment.

SECTION 33. Applicable Law; Waiver of Jury Trial. (a) THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTIONS 9.09 AND 9.10 OF THE CREDIT AGREEMENT AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN.

SECTION 34. Counterparts; Amendment. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by Holdings, each Borrower, each other Loan Party, the Administrative Agent and each Lender whose consent is required in connection with such amendment or waiver pursuant to Section 9.02(b) of the Credit Agreement.

SECTION 35. Expenses. The Parent Borrower agrees to reimburse the Administrative Agent (and each of its Affiliates), as well as each Lender, for its reasonable out-of-pocket expenses (including, without limitation, the reasonable fees, charges and disbursements of counsel for each of the Administrative Agent and each Lender) in connection with the preparation and execution of this Amendment and each document contemplated hereunder.

SECTION 36. Headings. The Section headings used herein are for convenience of reference only, are not part of this Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this Amendment.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

INDALEX HOLDINGS FINANCE, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX HOLDING CORP.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX LIMITED,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

CARADON LEBANON, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

DOLTON ALUMINUM COMPANY, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

[Amendment No. 2 Signature Page]

INDALEX HOLDINGS (B.C.) LTD.,

By Patrick Lawlor

Name: PATRICK LAWLOR
Title: CFO

NOVAR INC.,

By Patrick Lawlor

Name: PATRICK LAWLOR
Title: CFO

6326765 CANADA INC.,

By Patrick Lawlor

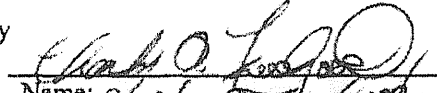
Name: PATRICK LAWLOR
Title: CFO

[Amendment No. 2 Signature Page]

[[NYCORP:3128476]]

JPMORGAN CHASE BANK, N.A.,
Individually and as Administrative Agent,
Issuing Bank and Swingline Lender

By

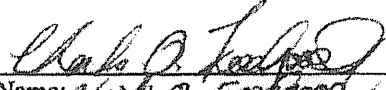

Name: Charles A. Stedman
Title: Managing Director

[Amendment No. 2 Signature Pages]

[[NYCORP:3128476]]

JPMORGAN CHASE BANK, N.A.,
TORONTO BRANCH, Individually and as
Canadian Lending Office for the
Administrative Agent, Issuing Bank and
Swingline Lender

By


Name: Charles O. Freedgood
Title: Managing Director

[Amendment No. 2 Signature Pages]

[[NYCORP:3128476]]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

BANK OF AMERICA NA
Name of Lender
By: H Michael Wills
Name: H. Michael Wills
Title: Senior Vice President
By: H Michael Wills
Name: H. Michael Wills
Title: Senior Vice President

[Amendment No. 2 Signature Pages]

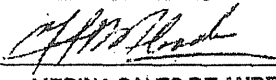
[[NYCORP:3128476]]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

*BANK OF AMERICA, NATIONAL ASSOCIATION,
(ACTING THROUGH ITS CANADA BRANCH)*

Name of Lender

By:


Name: MEDINA SALES DE ANDRADE
Title: VICE PRESIDENT

By:

Name:
Title:

[Amendment No. 2 Signature Pages]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

Bank of Montreal

Name of Lender

By: _____

Name: **Barry W. Stratton**
Title: **Managing Director**

By: _____

Name:
Title:

{Amendment No. 2 Signature Pages}

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

General Electric Capital Corporation

Name of Lender

By: William Hendricks
Name: William Hendricks
Title: Only Authorized Signatory

By: _____
Name:
Title:

[Amendment No. 2 Signature Pages]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

GE Canada Finance Holding Company
Name of Lender

By: _____

Name:

Title:

By: _____

Name:

Title:



NICK LALANI

DULY AUTHORIZED SIGNATORY

[Amendment No. 2 Signature Pages]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

Wachovia Capital Finance Corporation (central)

Name of Lender

By:

[Signature]
Name: Vicki Grant

Title: Director

By: _____

Name:

Title:

[Amendment No. 2 Signature Pages]

[[NYCORP:3128476]]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

WACHOVIA CAPITAL FINANCE CORPORATION (CANADA)
Name of Lender

By: _____

Name: Rizal Hamilton
Title: Senior Vice President
Wachovia Capital Finance Corporation
(Canada)

By: _____

Name:
Title:

[Amendment No. 2 Signature Pages]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

Wells Fargo Foothill, LLC

Name of Lender

By: Rohan Damani

Name: Rohan Damani

Title: Vice President

By: _____

Name:

Title:

[Amendment No. 2 Signature Pages]

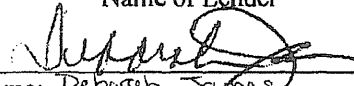
[[NYCORP:3128476]]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

Wells Fargo Financial Corporation Canada

Name of Lender

By:


Name: Deborah James
Title: SVP

By:

Name:
Title:

[Amendment No. 2 Signature Pages]

SIGNATURE PAGE TO AMENDMENT NO.
2, WAIVER AND AGREEMENT TO THE
AMENDED AND RESTATED CREDIT
AGREEMENT DATED AS OF MAY 21,
2008, AMONG INDALEX HOLDINGS
FINANCE, INC., INDALEX HOLDING
CORP., INDALEX LIMITED, THE OTHER
SUBSIDIARIES OF INDALEX HOLDING
CORP. PARTY THERETO, THE LENDERS
PARTY THERETO AND JPMORGAN
CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT

SUN Indalex Finance LLC

Name of Lender

By:

Michael McGonvey
Name: Michael McGonvey
Title: Vice President

By: _____

Name:

Title:

[Amendment No. 2 Signature Pages]

Domestic Security Amendment

Canadian Security Amendment

Blank
Divider
Sheet

AMENDMENT NO. 1 dated as of March 6, 2009 (this "Amendment"), among INDALEX HOLDINGS FINANCE, INC., a Delaware corporation ("Holdings"), INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), the SUBSIDIARY PARTIES party hereto and JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent") under the Domestic Security Agreement referred to below, to the AMENDED AND RESTATED DOMESTIC SECURITY AGREEMENT dated as of May 21, 2008 (as amended, supplemented or otherwise modified prior to the effectiveness of this Amendment, the "Domestic Security Agreement"), among Holdings, the Parent Borrower, the Subsidiary Parties party thereto and the Administrative Agent. Capitalized terms used in this Amendment but not otherwise defined shall have the meanings assigned to such terms in the Domestic Security Agreement.

WHEREAS pursuant to the Credit Agreement, the Lenders and the Issuing Bank have agreed to extend credit to the Borrowers on the terms and subject to the conditions set forth therein;

WHEREAS Holdings, the Borrowers, the Subsidiary Loan Parties, the Lenders and the Administrative Agent have entered into Amendment No. 2, Waiver and Agreement to the Credit Agreement, dated as of the date hereof (the "Waiver"), to effect certain waivers, amendments and agreements set forth therein;

WHEREAS the effectiveness of the Waiver is conditioned upon the amendment of certain provisions of the Domestic Security Agreement; and

WHEREAS the undersigned parties are willing to amend such provisions of the Domestic Security Agreement subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

SECTION 1. Amendments to Section 1.02. Section 1.02 of the Domestic Security Agreement is hereby amended by deleting in its entirety each of the following defined terms in such Section: "First Activation Period", "First Activation Period Notice", "Second Activation Period Notice", "Termination Period" and "Termination Period Notice".

SECTION 2. Amendment to Section 3.06. Section 3.06(c) of the Domestic Security Agreement is hereby amended by replacing the proviso to such Section with the following text:

provided that, on the Amendment No. 2 Effective Date, the Administrative Agent shall (i) send a notice to each bank where any Grantor maintains a

Receivables Account (each, a “Receivables Account Bank”) that commences a period during which the applicable Receivables Account Bank shall cease complying with any instructions originated by the applicable Grantor and shall comply with instructions originated by the Administrative Agent directing dispositions of funds, without further consent of the applicable Grantor and (ii) apply (and allocate) the funds in each Receivables Account pursuant to Section 2.10(b) of the Credit Agreement.

SECTION 3. Amendments to Section 4.02. Section 4.02 of the Domestic Security Agreement is hereby amended as follows:

(a) by deleting in its entirety clause SECOND of such Section and replacing it with the following text:

SECOND, until the Discharge of Revolving Lender Claims (except in respect of the Canadian Secured Obligations) has occurred, to the payment of the U.S. Secured Obligations (other than the U.S. Term Obligations) (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the U.S. Secured Obligations (other than the U.S. Term Obligations) owed to them on the date of any such distribution);

(b) by inserting the following new clause THIRD immediately after clause SECOND of such Section and renumbering the remaining clauses of such Section accordingly:

THIRD, until the Discharge of Revolving Lender Claims has occurred, to the payment of the Canadian Secured Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Canadian Secured Obligations owed to them on the date of any such distribution);

SECTION 4. Conditions to Effectiveness. This Amendment shall become effective as of the date first written above when (a) the Administrative Agent (or its counsel) shall have received from Holdings, the Parent Borrower and each Subsidiary Party either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment and (b) the Waiver shall have become effective in accordance with its terms.

SECTION 5. Domestic Security Agreement. Except as expressly set forth herein, this Amendment (a) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, Holdings, the Parent Borrower or any other Loan Party under the Domestic Security Agreement or any other Loan Document and (b) shall not alter,

modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Domestic Security Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle Holdings, the Parent Borrower or any other Loan Party to any future consent to, or waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Domestic Security Agreement or any other Loan Document in similar or different circumstances. After the date hereof, any reference in the Loan Documents to the Domestic Security Agreement shall mean the Domestic Security Agreement as modified hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 6. Applicable Law; Waiver of Jury Trial. (a) THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTIONS 6.09(b), 6.09(c), 6.09(d) AND 6.10 OF THE DOMESTIC SECURITY AGREEMENT AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN.

SECTION 7. Counterparts; Amendment. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by Holdings, the Parent Borrower, each Subsidiary Party, the Administrative Agent and each Lender whose consent is required in connection with such amendment or waiver pursuant to Section 9.02(b) of the Credit Agreement and Section 6.02 of the Domestic Security Agreement.

SECTION 8. Headings. The Section headings used herein are for convenience of reference only, are not part of this Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this Amendment.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this
Amendment to be duly executed by their respective authorized officers as of the day and
year first written above.

INDALEX HOLDINGS FINANCE, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX HOLDING CORP.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

CARADON LEBANON, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO


DOLTON ALUMINUM COMPANY, INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

[Amendment No. 1 Signature Pages]

JPMORGAN CHASE BANK, N.A., as
Administrative Agent,

By


Name: Charles O. Johnson
Title: Managing Director

[Amendment No. 1 Signature Pages]

Blank
Divider
Sheet

AMENDMENT NO. 1 dated as of March 6, 2009 (this "Amendment"), among INDALEX HOLDING CORP., a Delaware corporation (the "Parent Borrower"), INDALEX LIMITED, a Canadian corporation (the "Canadian Subsidiary Borrower"), the SUBSIDIARY PARTIES party hereto and JPMORGAN CHASE BANK, N.A., as administrative agent (the "Administrative Agent") under the Canadian Security Agreement referred to below, to the CANADIAN SECURITY AGREEMENT dated as of February 2, 2006 (as amended, supplemented or otherwise modified prior to the effectiveness of this Amendment, the "Canadian Security Agreement"), among the Parent Borrower, the Canadian Subsidiary Borrower, the Subsidiary Parties party thereto and the Administrative Agent. Capitalized terms used in this Amendment but not otherwise defined shall have the meanings assigned to such terms in the Canadian Security Agreement.

WHEREAS pursuant to the Credit Agreement, the Lenders and the Issuing Bank have agreed to extend credit to the Borrowers on the terms and subject to the conditions set forth therein;

WHEREAS Holdings, the Borrowers, the Subsidiary Loan Parties, the Lenders and the Administrative Agent have entered into Amendment No. 2, Waiver and Agreement to the Credit Agreement, dated as of the date hereof (the "Waiver"), to effect certain waivers, amendments and agreements set forth therein;

WHEREAS the effectiveness of the Waiver is conditioned upon the amendment of certain provisions of the Canadian Security Agreement; and

WHEREAS the undersigned parties are willing to amend such provisions of the Canadian Security Agreement subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

SECTION 1. Amendments to Section 1.02. Section 1.02 of the Canadian Security Agreement is hereby amended as follows:

(a) by deleting in its entirety each of the following defined terms in such Section: "First Activation Period", "First Activation Period Notice", "Second Activation Period Notice", "Termination Period" and "Termination Period Notice"; and

(b) by inserting the following new defined term in the appropriate alphabetical order in such Section:

"Canadian Secured Obligations" means the Secured Obligations, provided, however, that, solely for purposes of Section 4.02, "Canadian

Secured Obligations” shall mean Canadian Secured Obligations (as such term is defined in the Credit Agreement).

SECTION 2. Amendment to Section 3.06. Section 3.06(c) of the Canadian Security Agreement is hereby amended by replacing the proviso to such Section with the following text:

provided that, on the Amendment No. 2 Effective Date, the Administrative Agent shall (i) send a notice to each bank where any Grantor maintains a Receivables Account (each, a “Receivables Account Bank”) that commences a period during which the applicable Receivables Account Bank shall cease complying with any instructions originated by the applicable Grantor and shall comply with instructions originated by the Administrative Agent directing dispositions of funds, without further consent of the applicable Grantor and (ii) apply (and allocate) the funds in each Receivables Account pursuant to Section 2.10(b) of the Credit Agreement.

SECTION 3. Amendment to Section 4.02. Section 4.02 of the Canadian Security Agreement is hereby amended by inserting the following new clause THIRD immediately after clause SECOND of such Section and renumbering the remaining clauses of such Section accordingly:

THIRD, to the payment in full of the U.S. Secured Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the U.S. Secured Obligations owed to them on the date of any such distribution); and

SECTION 4. Conditions to Effectiveness. This Amendment shall become effective as of the date first written above when (a) the Administrative Agent (or its counsel) shall have received from the Parent Borrower, the Canadian Subsidiary Borrower and each Subsidiary Party either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment and (b) the Waiver shall have become effective in accordance with its terms.

SECTION 5. Canadian Security Agreement. Except as expressly set forth herein, this Amendment (a) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, Holdings, the Parent Borrower or any other Loan Party under the Canadian Security Agreement or any other Loan Document and (b) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Canadian Security Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle Holdings, the Parent Borrower or any other Loan Party to any future consent to, or waiver, amendment, modification or other change

of, any of the terms, conditions, obligations, covenants or agreements contained in the Canadian Security Agreement or any other Loan Document in similar or different circumstances. After the date hereof, any reference in the Loan Documents to the Canadian Security Agreement shall mean the Canadian Security Agreement as modified hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 6. Applicable Law; Waiver of Jury Trial. (a) THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

(b) EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTIONS 6.09(b), 6.09(c), 6.09(d) AND 6.10 OF THE CANADIAN SECURITY AGREEMENT AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN.

SECTION 7. Counterparts; Amendment. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Parent Borrower, the Canadian Subsidiary Borrower, each Subsidiary Party, the Administrative Agent and each Lender whose consent is required in connection with such amendment or waiver pursuant to Section 9.02(b) of the Credit Agreement and Section 6.02 of the Canadian Security Agreement.

SECTION 8. Headings. The Section headings used herein are for convenience of reference only, are not part of this Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this Amendment.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this
Amendment to be duly executed by their respective authorized officers as of the day and
year first written above.

INDALEX HOLDING CORP.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX LIMITED,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

INDALEX HOLDINGS (B.C.) LTD.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

NOVAR INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO


6326765 CANADA INC.,

By Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

[Amendment No. 1 Signature Pages]

JPMORGAN CHASE BANK, N.A., as
Administrative Agent,

By


Name: Charles D. Funder
Title: Managing Director

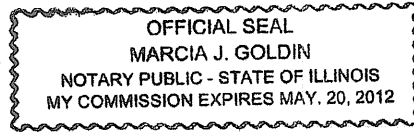
[Amendment No. 1 Signature Pages]

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

Subscribed and sworn to before me
this *3rd* day of April, 2009

Marcia Goldin

Notary Public



AMENDED AND RESTATED PROMISSORY NOTE

WHEREAS on February 2, 2006, 6461948 Canada Inc. ("6461948") issued a promissory note (the "2006 Note") in the principal amount of CDN\$182,651,075 to Indalex Holding Corp. (the "Lender");

AND WHEREAS following the issuance of the 2006 Note, 6461948 amalgamated with Indalex Limited and continued as Indalex Limited (the "Borrower");

AND WHEREAS the indebtedness owing under the 2006 Note has been partially repaid;

AND WHEREAS the original 2006 Note has been misplaced and cannot be found;

AND WHEREAS the undersigned has agreed to issue this amended and restated promissory note in substitution and exchange for the 2006 Note.

For value received, the Borrower unconditionally promises to pay on February 2, 2009, (the "Maturity Date") to the Lender or order at _____ or as may be otherwise directed in writing by the Lender, the principal amount of FORTY MILLION CANADIAN DOLLARS (CDN\$40,000,000) (the "Principal Amount"), together with all accrued interest on the Principal Amount, which interest has and shall continue to accrue from and after February 2, 2006 at the rate per annum of 11.5%, accruing annually, until the Principal Amount and accrued interest thereon has been repaid in full. The Borrower may prepay the whole or part of the Principal Amount together with interest accrued thereon without penalty at any time. The Maturity Date will be automatically extended for successive one year periods, unless Lender provides notice to the Borrower, at least 30 days prior to the then current Maturity Date, that the Maturity Date will not be extended, at which time the Principal Amount and interest outstanding will become due and payable on the then current Maturity Date.

Upon default in payment by the undersigned of any Principal Amount or interest when due under this promissory note, the Principal Amount and interest outstanding under this promissory note shall become immediately due and payable upon demand by the Lender.

This promissory note represents an amendment and restatement of, and is issued in substitution and exchange for, the 2006 Note. The indebtedness originally evidenced by the 2006 Note is, except to the extent it has been reduced by payments received prior to the date hereof, a continuing indebtedness and nothing herein contained shall be construed to deem such 2006 Note paid in full.

This promissory note shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province. The undersigned waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this promissory note. This promissory note shall become effective when it has been executed and delivered. Time shall be of the essence of this promissory note in all respects. This promissory note constitutes the entire agreement of the parties pertaining to the indebtedness evidenced by

this promissory note and, subject to the preceding paragraph, supersedes all prior agreements, understandings, negotiations and discussions with respect to such indebtedness, whether oral or written.

DATED this 21st day of May, 2008.

INDALEX LIMITED

By: Patrick Lawlor
Name: PATRICK LAWLOR
Title: CFO

ALLONGE

As of May 21, 2008, Indalex Holding Corp., a Delaware corporation ("Payee"), hereby collaterally assigns to JPMorgan Chase Bank, N.A., as Collateral Agent, the attached Promissory Note dated February 2, 2007, in the original principal amount of CDN\$188,547,460 issued by 6461948 Canada Inc., a Canadian Corporation, to Payee.

INDALEX HOLDING CORP.

By: Pat Lawlor

Name: PATRICK LAWLOR

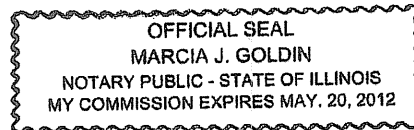
Title: CHIEF FINANCIAL OFFICER

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

Subscribed and sworn to before me
this 3rd day of April, 2009

Marcia Goldin

Notary Public



Indalex Limited
Indalex Holdings (B.C.) Ltd.
6326765 Canada Inc.
Novar Inc.

Consolidated Cash Flow Forecast

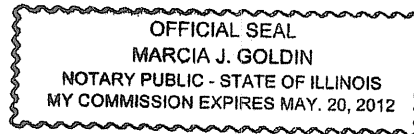
| | Week Ending | 4/10/2009 US\$000 | 4/17/2009 US\$000 | 4/24/2009 US\$000 | 5/1/2009 US\$000 | Total US\$000 |
|--|-------------|----------------------|----------------------|----------------------|---------------------|------------------|
| Receipts: | | | | | | |
| Accounts Receivable | | 4,372 | 4,303 | 4,109 | 4,605 | 17,388 |
| Other | | 64 | 290 | 0 | 0 | 354 |
| Total Receipts | | 4,436 | 4,593 | 4,109 | 4,605 | 17,742 |
| Disbursements: | | | | | | |
| Raw Materials - Metals | | 2,740 | 2,826 | 2,826 | 2,714 | 11,105 |
| Raw Materials - Other Materials | | 115 | 118 | 118 | 114 | 464 |
| Payroll | | 262 | 533 | 262 | 533 | 1,589 |
| Benefits | | 95 | 194 | 95 | 194 | 578 |
| Operating Expenses | | 490 | 490 | 490 | 553 | 2,023 |
| GST | | 0 | 0 | 0 | 354 | 354 |
| Capex - Tool & Die | | 53 | 53 | 53 | 53 | 211 |
| Capex - Other | | 0 | 0 | 0 | 0 | 0 |
| Bank Fees & Interest | | 0 | 0 | 0 | 0 | 0 |
| Legal & Professional Fees | | 210 | 110 | 60 | 110 | 490 |
| Total Disbursements | | 3,964 | 4,324 | 3,903 | 4,625 | 16,816 |
| Excess of Receipts over Disbursements | | 472 | 269 | 205 | (20) | 926 |
| Cumulative Net Cash Flow | | 472 | 741 | 947 | 926 | 926 |

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

Subscribed and sworn to before me
this 3rd day of April, 2009

Marcia Goldin

Notary Public



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

INDALEX HOLDINGS FINANCE, INC.,
a Delaware Corporation, *et al.*

Debtors

Chapter 11

Case No. 09-10982 (PJW)

(Joint Administration Requested)

INTERIM ORDER (I) AUTHORIZING THE USE OF PREPETITION LENDERS' CASH COLLATERAL UNDER 11 U.S.C. § 363, (II) GRANTING ADEQUATE PROTECTION UNDER 11 U.S.C. §§ 361, 362 AND 363 AND (III) SCHEDULING A FINAL HEARING UNDER BANKRUPTCY RULE 4001(b)

Upon the motion (the "Motion"), dated March 20, 2009, of Indalex Holdings Finance, Inc. and its affiliated debtors, each as a debtor and debtor-in-possession (collectively, the "Debtors"), in the above-captioned chapter 11 cases (the "Cases") under sections 361, 362, 363 and 507(b) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended, the "Bankruptcy Code"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rules for the Bankruptcy Court for the District of Delaware 4001-2 and 2002-1(b) (the "Local Rules"), seeking, among other things:

(1) authorization for the Debtors to use the Cash Collateral (as defined below) and any other Prepetition Collateral (as defined below) in which the Prepetition Secured Parties (as defined below) have an interest;

(2) the granting of adequate protection to the Prepetition Secured Parties with respect to any diminution in the value of the Prepetition Secured Parties' interests in the Prepetition Collateral, whether from the use of the Cash Collateral or the use, sale, lease, depreciation or other diminution in value of the Prepetition

Collateral, or as a result of the imposition of the automatic stay under section 362(a) of the Bankruptcy Code;

(3) approval of certain stipulations by the Debtors with respect to the Prepetition Credit Agreement and the claims, liens and security interests arising therefrom;

(4) subject to entry of the Final Order (as defined below), the limitation of the Debtors' right to surcharge against collateral under section 506(c) of the Bankruptcy Code;

(5) under Bankruptcy Rule 4001 and Local Rule 4001-2, an interim hearing (the "Interim Hearing") on the Motion for the proposed interim order annexed to the Motion (this "Order") authorizing the Debtors to use the Cash Collateral and granting the protection described herein; and

(6) a final hearing (the "Final Hearing") to be held within 20 days after entry of this Order to consider entry of a final order (the "Final Order") authorizing (i) the Debtors' use of the Cash Collateral and (ii) the granting on a final basis of the adequate protection described herein.

The Debtors having served notice pursuant to sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b) and Local Rule 2002-1(b), of the Motion, the relief requested therein and the Interim Hearing on, among others, the thirty largest unsecured creditors of the Debtors, on a consolidated basis, the Prepetition Agent and the Prepetition Indenture Trustee, the other Prepetition Secured Parties and the Office of the United States Trustee for the District of Delaware; and

the Interim Hearing having been held by this Court on March 23, 2009; and upon the record made by the Debtors at the Interim Hearing, the record in these Cases and the Declaration of Timothy R. J. Stubbs in support of Chapter 11 Petitions and First Day Relief and after due deliberation and consideration and sufficient cause appearing therefor:

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Disposition.* The Motion is granted on an interim basis on the terms set forth herein. Any objection to the interim relief sought in the Motion that has not been previously resolved or withdrawn is overruled on the merits. This Order shall be valid, binding and enforceable on all parties in interest and fully effective immediately upon entry.

2. *Jurisdiction and Venue.* This Court has jurisdiction over the Cases and the Motion as a core proceeding and over the parties and property affected hereby under 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409. No request has been made for the appointment of a trustee or examiner and no statutory committee has yet been appointed in the Debtors' Cases.

3. *Notice.* Notice has been given by the Debtors of the Motion and the Interim Hearing pursuant to Bankruptcy Rule 4001(b) and Local Rule 4001-2.

4. *Prepetition Secured Facilities.* As of the Petition Date, the Debtors were party to the following agreements:

(a) the Amended and Restated Credit Agreement, dated as of May 21, 2008 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Prepetition Credit Agreement"), among Indalex Holdings Finance, Inc. ("Holdings"), Indalex Holding Corp. ("Parent Borrower"), Indalex Limited (the "Canadian Subsidiary Borrower"; together

with the Parent Borrower, the "Borrowers"), the other subsidiaries of the Parent Borrower party thereto, the lenders party thereto (such lenders that made revolving extensions of credit under the Prepetition Credit Agreement, collectively, the "Prepetition Revolving Lenders"; and Sun Capital Partners, Inc. or any affiliate thereof (the "Prepetition Term Lender") that made term loans under the Prepetition Credit Agreement (the "Prepetition Term Loans")) and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Prepetition Agent");

(b) Amendment No. 2, Waiver and Agreement, dated as of March 6, 2009 (the "Amendment No. 2"), among Holdings, the Borrowers, certain Prepetition Revolving Lenders and the Prepetition Agent;

(c) the Amended and Restated Domestic Security Agreement, dated as of May 21, 2008 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Domestic Security Agreement") among Holdings, the Parent Borrower, the subsidiaries of Holdings party thereto and the Prepetition Agent;

(d) the Canadian Security Agreement, dated as of February 2, 2006 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Canadian Security Agreement"; together with the Domestic Security Agreement, any and all other security agreements, pledge agreements, fixture filings, mortgages, hypothecs, deeds of trust, control agreements and any and all other collateral and ancillary documentation executed or delivered in connection therewith, the "Prepetition Security Documents");

(e) the Indenture, dated as of February 2, 2006 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Prepetition Indenture"), among Parent Borrower, each note guarantor from time to time party thereto and U.S. Bank National

Association, a national banking association, as indenture trustee (the "Prepetition Indenture Trustee");) in respect of the \$270 million of 11½% Notes due 2014 (the holders of such notes, the "Prepetition Secured Noteholders"; together with the Prepetition Agent, the Prepetition Revolving Lenders, the Prepetition Term Lender and the Prepetition Indenture Trustee, the "Prepetition Secured Parties"); and

(f) the Intercreditor Agreement, dated as of February 2, 2006 (as amended, supplemented or otherwise modified prior to the Petition Date, the "Intercreditor Agreement"), among the Prepetition Agent, the Prepetition Indenture Trustee, Holdings and each subsidiary of Holdings party thereto;

5. *Debtors' Stipulations.* Without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraphs 19 and 20), the Debtors admit, stipulate and agree that:

(a) as of the Petition Date, (i) each of the Borrowers was indebted and liable to the Prepetition Agent and the Prepetition Revolving Lenders, without defense, counterclaim or offset of any kind, in respect of revolving loans and bankers' acceptances made by the Prepetition Revolving Lenders to the Borrowers under the Prepetition Credit Agreement in the aggregate principal amount of not less than \$64,168,106.94 (it being understood that such amount is subject to fluctuation based on currency exchange rates) (plus accrued and unpaid interest thereon), (ii) each of the Borrowers was contingently liable to the issuing banks under the Prepetition Credit Agreement and the Prepetition Revolving Lenders in the aggregate face amount of not less than \$8,242,984.00 on account of the Borrowers' reimbursement obligations with respect to letters of credit issued under the Prepetition Credit Agreement, which remained

outstanding as of the Petition Date, (iii) each of the Borrowers was indebted and liable to the Prepetition Agent and the Prepetition Revolving Lenders for fees, expenses (including any attorneys', accountants', appraisers' and financial advisors' fees that are chargeable or reimbursable under the Prepetition Credit Agreement, the Prepetition Security Documents, Amendment No. 2 or any related agreement, instrument or other document executed or delivered in connection therewith (collectively, the "Prepetition Loan Documents")), charges and other obligations incurred in connection with such loans, bankers' acceptances and letters of credit as provided in the Prepetition Loan Documents, (iv) the Debtors were liable to certain of the Prepetition Revolving Lenders or their affiliates in respect of Swap Obligations (as defined in the Prepetition Credit Agreement), (v) the Debtors were indebted to the Prepetition Revolving Lenders or their affiliates for Banking Services Obligations (as defined in the Prepetition Credit Agreement) (items (i) through (v), collectively, the "Prepetition Obligations") and (v) each Debtor party to a guarantee executed and delivered in respect of the Prepetition Obligations was contingently liable to the Prepetition Agent and the Prepetition Revolving Lenders under each such guarantee in the aggregate amount of not less than the aggregate amount of the Prepetition Obligations;

(b) the Prepetition Loan Documents and the Prepetition Obligations constitute the legal, valid and binding obligation of the Debtors, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), no portion of the Prepetition Obligations is subject to avoidance, recharacterization, reduction, disallowance, impairment, recovery or subordination under the Bankruptcy Code or applicable nonbankruptcy law;

(c) the Debtors do not have any claims, counterclaims, causes of action, defenses or setoff rights, whether arising under the Bankruptcy Code or otherwise, against the Prepetition Agent, the Prepetition Revolving Lenders or their respective affiliates, subsidiaries, members, agents, officers, directors, employees and attorneys;

(d) the liens and security interests granted to the Prepetition Agent (for the ratable benefit of the holders of the Prepetition Obligations) under and in connection with the Prepetition Security Documents are valid, binding, perfected, enforceable, first-priority liens on the personal and real property described in each such Prepetition Security Document (including the setoff rights described in the Prepetition Loan Documents and arising by operation of law, the "Prepetition Collateral"), not subject to avoidance, recharacterization or subordination under the Bankruptcy Code or applicable nonbankruptcy law and subject and subordinate only to (A) the Carve Out (as defined below) and (B) valid, perfected and unavoidable liens permitted under the Prepetition Loan Documents to the extent such liens are permitted to be senior to or *pari passu* with the liens of the Prepetition Agent on the Prepetition Collateral; and

(e) the aggregate value of the Prepetition Collateral exceeds the aggregate amount of the Prepetition Obligations.

6. *Findings Regarding the Use of Cash Collateral.*

(a) Good cause has been shown for issuance of this Order. The Debtors do not have available sources of working capital and financing to carry on the operation of their businesses without the use of the Cash Collateral and the making of the Cash Collateral Loans (as defined below). The Debtors have an immediate need to use the Cash Collateral and request Cash Collateral Loans to permit, among other things, the orderly continuation of the operation of

their businesses, to maintain business relationships with vendors, suppliers and customers, to make payroll, to make capital expenditures and to satisfy other working capital and operational needs. The access of the Debtors to sufficient working capital and liquidity through the use of Cash Collateral and obtaining of Cash Collateral Loans is vital to the preservation and maintenance of the going concern values of the Debtors and to a successful reorganization of the Debtors.

(b) Based on the record presented to the Court at the Interim Hearing, the terms of the use of Cash Collateral are fair and reasonable, reflect the Debtors' prudent exercise of business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration for the Prepetition Revolving Lenders' consent thereto.

(c) The Prepetition Agent, the Prepetition Revolving Lenders and the Debtors have negotiated in good faith and at arm's length regarding the Debtors' use of the Cash Collateral to fund the administration of the Debtors' estates and continued operation of their businesses. The Prepetition Agent and the Prepetition Revolving Lenders have agreed to permit the Debtors to use the Cash Collateral and to request Cash Collateral Loans for the period through the Termination Date (as defined below), all subject to the terms and conditions set forth herein, including the protection afforded an entity acting in "good faith" under section 363(m) of the Bankruptcy Code.

(d) The Debtors have requested immediate entry of this Order under Bankruptcy Rule 4001(b)(2) and Local Rule 4001-2. Absent granting the relief sought by this Order, the Debtors' estates will be immediately and irreparably harmed. The use of Cash Collateral in accordance with this Order is therefore in the best interest of the Debtors' estates.

(e) The Prepetition Revolving Lenders have objected to the use by the Debtors of the Prepetition Collateral, including the Cash Collateral, except on the terms of this Order (or other order that may be issued by the Bankruptcy Court with the consent of the Prepetition Agent and the Required Prepetition Revolving Lender (as defined below)). The Prepetition Revolving Lenders are entitled, under section 363(e) of the Bankruptcy Code, to adequate protection of their interest in the Prepetition Collateral to the extent of diminution in value, including for the use of Cash Collateral, the use, sale, lease, depreciation or other diminution in value of the Prepetition Collateral other than the Cash Collateral, and the imposition of the automatic stay under section 362 of the Bankruptcy Code. The Prepetition Term Lender, the Prepetition Indenture Trustee and the Prepetition Secured Noteholders are also entitled to adequate protection of their interests in the Prepetition Collateral solely to the extent set forth in the Prepetition Credit Agreement or the Intercreditor Agreement, as applicable.

7. *The Cash Collateral.* To the extent any funds were on deposit with the Prepetition Agent or any Prepetition Revolving Lender as of the Petition Date, including all funds deposited in, or credited to, an account of any Debtor with any Prepetition Revolving Lender immediately before the Debtors commenced these Cases (regardless of whether, as of such time, such funds had been collected or made available for withdrawal by any such Debtor), such funds (the "Deposited Funds") are subject to rights of setoff in favor of the Prepetition Agent or such Prepetition Revolving Lender. By virtue of such setoff rights and section 553 of the Bankruptcy Code, the Prepetition Obligations are secured by the Deposited Funds for the purposes of these Cases under section 506(a) of the Bankruptcy Code. The Prepetition Revolving Lenders are obligated, to the extent provided in the Prepetition Loan Documents, to

share the benefit of such setoff rights with the other Prepetition Revolving Lenders party to such Prepetition Loan Documents. The Debtors' cash, including all cash and other amounts on deposit or maintained in any account subject to a control agreement with the Prepetition Agent or in the concentration accounts maintained with the Prepetition Agent (or any of its affiliates) (collectively, the "Collateral Accounts") and any proceeds of the Prepetition Collateral (including the Deposited Funds or any other funds on deposit at the Prepetition Revolving Lenders or at any other institution as of the Petition Date) are "cash collateral" of the Prepetition Revolving Lenders within the meaning of section 363(a) of the Bankruptcy Code. The Debtors' cash, the Deposited Funds, the funds in the Collateral Accounts and all such proceeds of Prepetition Collateral are referred to herein as "Cash Collateral."

8. *Use of Cash Collateral.* Subject to compliance with the Budget (as defined below) and the terms and conditions hereof, the Debtors are hereby authorized, during the period from the Petition Date through and including the Expiration Date (as defined below), subject to the earlier occurrence of the Termination Date (as defined below), to (a) use the Cash Collateral generated from the operation of the Debtors' businesses in the ordinary course through the collection of accounts receivable and the proceeds of other Prepetition Collateral and (b) use the Cash Collateral contained in the Collateral Accounts, in each case by requesting the making of Cash Collateral Loans in accordance with the procedures contained in paragraph 10 of this Order and subject to the limitations and adjustments contained in paragraph 9 of this Order and the other conditions contained herein. The term "Expiration Date" shall mean the earlier of (x) April 6, 2009 (or such later date as Prepetition Revolving Lenders holding more than 50% of the Prepetition Obligations consisting of revolving extensions of credit (the "Required Prepetition

Revolving Lenders”) consent) and (y) the date specified as the expiration date in a notice (if any) delivered by the Prepetition Agent (acting at the direction of the Required Prepetition Revolving Lenders) to the Debtors and any statutory committee appointed in these Cases, which expiration date must be at least three business days after delivery of such notice. The Debtors shall use any cash that is not Cash Collateral prior to the use of the Cash Collateral, and any such cash shall be used only for the same purposes as permitted for Cash Collateral in accordance with the terms and conditions of this Order and the Budget.

9. *Budget.* (a) The Debtors shall use the Cash Collateral solely as provided in this Order. Each Debtor shall only use the Cash Collateral Loans for the payment of the costs and expenses associated with the operation of such Debtor’s business and the conduct of its Case of the types specified for such Debtor in the budget previously delivered to the Prepetition Agent and the Prepetition Revolving Lenders (the “Budget”). A copy of the Budget is annexed hereto as Exhibit A. In addition, for each week covered by the Budget, the Debtors may request Cash Collateral Loans, in accordance with the procedures set forth in paragraph 10, in an aggregate amount not to exceed the amount set forth for such week in the Budget opposite the heading “Total Disbursements”; *provided* that the Debtors may request Cash Collateral Loans to make expenditures in any given week in excess of the amount set forth opposite any line item in the Budget for such week without the prior approval of the Prepetition Agent and the Required Prepetition Revolving Lenders if the amount of the proposed excess for such line item is 20% or less of the amount set forth in such line item in the Budget for such week; *provided further* that the Debtors may request Cash Collateral Loans (or otherwise make a borrowing under the Prepetition Credit Agreement from the Prepetition Revolving Lenders) in accordance with the

procedures set forth in paragraph 10 of this Order to make any Adequate Protection Payment (as defined below) to the Prepetition Agent, the Prepetition Revolving Lenders or any of their affiliates. The Debtors may not use any Cash Collateral or request the making of any Cash Collateral Loans to fund the operations of any non-debtor affiliate except in accordance with the Budget and this Order.

(b) The Debtors shall deliver to the Prepetition Agent and the Prepetition Revolving Lenders, not later than 5:00 p.m. (prevailing Eastern time) on Wednesday of each week, commencing with the first such Wednesday to occur on or after the Petition Date, (i) a report, for the week ending as of the preceding Friday, of actual receipts, expenditures and Total Disbursements compared to the Budget, in a form reasonably satisfactory to the Prepetition Agent, (ii) a reasonably detailed explanation for any variances, in a form reasonably satisfactory to the Prepetition Agent, and (iii) in the case of each of the foregoing clauses (i) and (ii), a certification from a Financial Officer (as defined in the Prepetition Credit Agreement), certifying that such reports fairly present the financial condition and results of operations of the Debtors. The Debtors shall deliver a copy of such information required by this paragraph to the Office of the United States Trustee for the District of Delaware and counsel to any statutory committee appointed in these Cases.

(c) In connection with their use of the Cash Collateral hereunder, the Debtors are authorized and directed to remit to the Prepetition Agent immediately upon the Debtors' receipt thereof or otherwise in accordance with the Debtors' current practices all Cash Collateral in its possession or control arising from, or constituting proceeds of, the Prepetition Collateral and all Cash Collateral so remitted shall be applied to the Prepetition Obligations and may be

readvanced as Cash Collateral Loans to the Debtors pursuant to this Order. The Prepetition Agent is hereby authorized to (i) send a notice to each Receivables Account Bank (as defined in the Domestic Security Agreement) to commence a period during which the applicable Receivables Account Bank shall cease complying with any instructions originated by any applicable Debtor and shall comply with instructions originated by the Prepetition Agent directing dispositions of funds, without further consent of the applicable Debtor, and (ii) apply (and allocate) the funds in each Receivables Account (as defined in the Domestic Security Agreement) pursuant to Section 2.10(b) of the Prepetition Credit Agreement. Each Receivables Account Bank is hereby authorized to comply with any instructions originated by the Prepetition Agent directing disposition of funds, without further consent of the applicable Debtor, including any such instructions delivered by the Prepetition Agent to such Receivables Account Bank prior to the Petition Date. The Debtors and the financial institutions where the Debtors' cash collection accounts are maintained are authorized to implement and/or continue in accordance with the Prepetition Loan Documents daily cash sweeps from the cash collection accounts to the Collateral Accounts. The automatic stay is hereby modified and vacated to permit such actions as contemplated by this paragraph. Except as otherwise provided herein or in the "first day" order relating thereto, the Debtors shall maintain their pre-Petition Date cash management and accounts receivable collection system, including the Collateral Accounts associated therewith.

10. *Cash Collateral Loans.* (a) Subject to the terms of this Order, Cash Collateral that is remitted to the Collateral Accounts and applied to the Prepetition Obligations may be advanced as loans (each, a "Cash Collateral Loan") to the Parent Borrower in U.S. Dollars and to the Canadian Subsidiary Borrower in Canadian Dollars and/or U.S. Dollars (as such terms are

defined in the Prepetition Credit Agreement), as applicable, by the Prepetition Agent on behalf of the Prepetition Revolving Lenders for the Debtors to use for the purposes and subject to the limitations set forth in the Budget and this Order. All applications of Cash Collateral to the Prepetition Obligations shall be deemed to have occurred for the ratable benefit of the Prepetition Revolving Lenders and their affiliates in proportion to the principal amount of the Prepetition Obligations held by them, whether or not cash is actually transferred in respect thereof by or on behalf of the Debtors, the Prepetition Agent or such Prepetition Revolving Lenders (or any of their affiliates). Notwithstanding anything herein to the contrary, the aggregate amount of Cash Collateral Loans (other than in respect of any Adequate Protection Payments) shall not exceed the aggregate amount of (x) cash contained in the Collateral Account as of the Petition Date plus (y) the amounts collected from each Receivables Account Bank after the Petition Date.

(b) A Financial Officer shall deliver in writing to the Prepetition Agent on Wednesday of each week, commencing on the first Wednesday following the Petition Date, a certificate setting forth the aggregate amount of collections of Cash Collateral received on or after the Petition Date by the Debtors on a daily basis for each day of the immediately preceding week ending Friday, the outstanding principal amount of the Prepetition Obligations as of each such date after giving effect to the application of such Cash Collateral in accordance with paragraphs 9(c) and 10(f) of this Order and the outstanding principal amount of Cash Collateral Loans as of each such date.

(c) Interest on the Cash Collateral Loans shall accrue at a rate per annum equal to the Alternate Base Rate plus 6.25% per annum (in the case of B/A Drawings) and 5.25% per annum (in the case of ABR Revolving Loans, U.S. Base Rate Revolving Loans and Canadian

Base Rate Revolving Loans) (as such terms are defined in the Prepetition Credit Agreement) from the date of such advance until the payment in full of such Cash Collateral Loans.

(d) Subject to the limitations set forth in paragraphs 8 and 9 hereof, so long as the Expiration Date has not occurred and no Event of Default has occurred and is continuing, the Debtors shall be entitled to request the making of Cash Collateral Loans by delivering to the Prepetition Agent a Borrowing Base Certificate (as defined in the Prepetition Credit Agreement) and supporting information in connection therewith, on or before 5:00 p.m. (Eastern time), on each business day, as of the preceding business day, executed by a Financial Officer representing and warranting that (i) the requested Cash Collateral Loan (or any borrowing under the Prepetition Credit Agreement to make an Adequate Protection Payment) and the intended use thereof are consistent with the terms of this Order and the Budget and is necessary, after utilization and application of all other available cash of the Debtors, in order for the Debtors to satisfy their obligations in the ordinary course of business or as otherwise permitted under this Order and the Budget (including the making of any Adequate Protection Payment), (ii) the Debtors have observed and performed in all material respects all applicable obligations and requirements contained herein, and satisfied each condition to the making of a Cash Collateral Loan contained in this Order, to be observed, performed or satisfied by them, (iii) after giving effect to such Cash Collateral Loan, the total amount of the Prepetition Obligations consisting of revolving extensions of credit outstanding will not exceed the Domestic Borrowing Base or the Canadian Borrowing Base (as each such term is defined in the Prepetition Credit Agreement), as applicable, as in effect immediately prior to the Petition Date, (iv) no Event of Default under this Order, and no event or condition that with notice or the lapse of time, or both, would constitute

an Event of Default, has occurred and is continuing, (v) any information as the Prepetition Agent may reasonably request and (vi) any other information required by the Prepetition Credit Agreement to be included in the Borrowing Base Certificate. Upon receipt by the Prepetition Agent of a Borrowing Base Certificate, the Prepetition Agent shall, so long as the Expiration Date has not occurred and no Event of Default, and no event or condition that with notice or the lapse of time, or both, would constitute an Event of Default, has occurred and is continuing, withdraw from the Collateral Accounts and transfer such requested amount in accordance with the Borrowing Base Certificate.

(e) All Cash Collateral remitted, or deemed to be remitted, to the Prepetition Agent, and all transfers from the Collateral Accounts, in each case as provided in paragraph 9(c) of this Order, shall be applied to the payment of any outstanding Prepetition Obligations in accordance with the Prepetition Loan Documents and, pursuant to and in accordance with paragraphs 9(c) and 10 of this Order, shall be advanced (or deemed re-advanced) to the Debtors by the Lenders as Cash Collateral Loans on the same day transferred from the Collateral Accounts or remitted, or deemed to be remitted, to the Prepetition Agent.

(f) The Cash Collateral Loans shall constitute expenses of administration under sections 503(b) and 507(a) of the Bankruptcy Code with priority in payment over any and all administrative expenses of the kinds specified or ordered under any provision of the Bankruptcy Code, including sections 105, 326, 328, 330, 331, 503, ^{506(c) (subject to entry of a Final Order)} 507(a), 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor, in these Cases or any subsequent proceedings under the Bankruptcy Code (collectively, the "Superpriority Claims").

(g) As security for the Cash Collateral Loans from time to time owing by the Debtors to the Prepetition Agent or the Prepetition Revolving Lenders, the Prepetition Agent is hereby granted for the sole benefit of the Prepetition Revolving Lenders valid, binding, enforceable and perfected lien and security interest (the "Postpetition Liens") in all Postpetition Collateral (as defined below). Subject to the Carve Out (as defined below), the Postpetition Liens granted to the Prepetition Agent (for the ratable benefit of the Prepetition Revolving Lenders) shall be (x) a first priority perfected lien on all of the Postpetition Collateral that is not otherwise encumbered by a validly perfected, non-avoidable security interest or lien as of the Petition Date, (y) a first priority, senior and perfected lien on (1) that portion of the Postpetition Collateral that comprises the Prepetition Collateral and is not subject to a validly perfected lien or security interest with priority over the Prepetition Agent's liens on the Prepetition Collateral as of the Petition Date and (2) Postpetition Collateral subject to a lien that is junior to the liens securing the Prepetition Obligations and (z) a second priority, junior perfected lien on all Postpetition Collateral that is subject to a validly perfected lien with priority over the Prepetition Agent's liens as of the Petition Date.

11. *Adequate Protection.* The Prepetition Agent, the Prepetition Revolving Lenders and their affiliates are entitled, under section 363(e) of the Bankruptcy Code, to adequate protection of their interest in the Prepetition Collateral, including the Cash Collateral, for and equal in amount to the aggregate diminution in the value of the Lenders' interest in the Prepetition Collateral, including any such diminution resulting from (x) the making of the Cash Collateral Loans and other use of the Cash Collateral under section 363(e) of the Bankruptcy Code, (y) the sale, lease or use by the Debtors (or other decline in value) of the Prepetition

Collateral and (z) the imposition of the automatic stay under section 362 of the Bankruptcy Code (the amount of any such diminution being referred to hereinafter as the "Adequate Protection Obligations"). As adequate protection, the Debtors hereby grant the following:

(a) Adequate Protection Liens. The Prepetition Agent (for itself and for the benefit of the Prepetition Revolving Lenders and their affiliates) is hereby granted (effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements or other agreements) a valid, binding, enforceable and perfected replacement security interest in, and lien on (the "Adequate Protection Liens"), all of the right, title and interest of the Debtors in, to and under all present and after-acquired property of the Debtors of any nature whatsoever including all cash and cash collateral of the Debtors (whether maintained with the Prepetition Agent, any Prepetition Revolving Lender or other financial institution) and any investment of such cash and cash collateral, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, causes of action contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names or other intellectual property, capital stock of subsidiaries, and the proceeds of all of the foregoing, whether now existing or hereafter acquired (collectively, the "Postpetition Collateral"); but not including the Debtors' claims and causes of action under sections 544, 545, 547, 548 or 550 of the Bankruptcy Code (collectively, the "Avoidance Actions"), but, subject only to and effective upon entry of the Final Order, the Postpetition Collateral shall include any proceeds or property recovered, unencumbered or otherwise that is the subject of successful Avoidance Actions, whether by judgment, settlement or otherwise.

Subject to the Carve Out (as defined below), the Adequate Protection Liens granted to the Prepetition Agent (for the ratable benefit of the Prepetition Revolving Lenders) shall be (w) junior to the Postpetition Liens, (x) a second priority perfected lien on all of the Postpetition Collateral that is not otherwise encumbered by a validly perfected, non-avoidable security interest or lien as of the Petition Date, (y) a second priority, senior and perfected lien on (1) that portion of the Postpetition Collateral that comprises the Prepetition Collateral and is not subject to a validly perfected lien or security interest with priority over the Prepetition Agent's liens on the Prepetition Collateral as of the Petition Date and (2) Postpetition Collateral subject to a lien that is junior to the liens securing the Prepetition Obligations and (z) a third priority, junior perfected lien on all Postpetition Collateral that is subject to a validly perfected lien with priority over the Prepetition Agent's liens as of the Petition Date. The Debtors hereby grant a valid, enforceable, binding and perfected Adequate Protection Lien, subject to the same limitations as set forth above, to (i) the Prepetition Agent, for the benefit of the Prepetition Term Lender, which Adequate Protection Lien for the Prepetition Term Lenders shall be entitled to distributions on a subordinated basis as set forth in Section 9.25(c) of the Prepetition Credit Agreement, and (ii) the Prepetition Indenture Trustee, for the ratable benefit of the Prepetition Secured Noteholders, which Adequate Protection Liens for the Prepetition Indenture Trustee shall be junior to the Adequate Protection Liens granted to the Prepetition Agent for the ratable benefit of the Prepetition Revolving Lenders; provided that the Prepetition Term Lender, the Prepetition Indenture Trustee and the Prepetition Secured Noteholders shall have no right to seek or exercise any rights or remedies in respect of the Adequate Protection Liens granted herein (whether in these Cases or any subsequently converted cases) until all Adequate Protection

Obligations (including Cash Collateral Loans) owing to the Prepetition Agent, the Prepetition Revolving Lenders and their affiliates have been indefeasibly paid in full in accordance with the Prepetition Loan Documents and this Order;

(b) Section 507(b) Claim. The Prepetition Agent and the Prepetition Revolving Lenders (and their affiliates) are hereby granted, subject to the payment of the Carve Out on the terms specified herein and the Superpriority Claims granted herein, a superpriority claim as provided for in section 507(b) of the Bankruptcy Code (the "507(b) Claims") with priority in payment over any and all administrative expenses of the kinds specified or ordered under any provision of the Bankruptcy Code, including sections 105, 326, 328, 330, 331, 503, 507(a), 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor, in these Cases or, to the extent permitted by applicable law, any subsequent proceedings under the Bankruptcy Code. Except the Carveout ^{subject to entry of a Final Order with respect to Section 506(c)} and the Superpriority Claims granted to the Prepetition Agent and the Prepetition Revolving Lenders under paragraph 10(f), subject to entry of a Final Order, no cost or expense of administration under sections 105, 503(b), 507(b) or otherwise, including any such cost or expense resulting from the conversion of these Cases under section 1112 of the Bankruptcy Code, shall be senior to, or *pari passu* with, the 507(b) Claims of the Prepetition Revolving Lenders;

(c) Interest, Fees and Expenses. The Prepetition Agent (for the benefit of the Prepetition Revolving Lenders and any of their affiliates and any issuing bank under the Prepetition Credit Agreement) shall receive from the Debtors (i) immediately after the issuance of this Order, payment of all accrued and unpaid interest on the Prepetition Obligations at the

rates applicable immediately before the Petition Date under the Prepetition Loan Documents, all accrued and unpaid letter of credit fees at the rate applicable immediately before the Petition Date under the Prepetition Credit Agreement, and all other accrued and unpaid fees and disbursements incurred before the Petition Date (including, but not limited to, fees owed to the Prepetition Agent for its counsel and financial advisors) owing under the Prepetition Loan Documents or any Swap Agreement, (ii) from time to time after the Petition Date, current cash payment of all fees and expenses payable to the Prepetition Agent, the Prepetition Revolving Lenders, the issuing bank or any their respective affiliates under the Prepetition Loan Documents or any Swap Agreement, including the reasonable fees and disbursements of counsel, financial advisors and other consultants for the Prepetition Agent or the Prepetition Revolving Lenders, promptly upon receipt of invoices therefor and (iii) on the first business day of each month, current cash payment of (x) all accrued and unpaid postpetition interest on the Prepetition Obligations at the rate equal to the Alternate Base Rate plus 6.25% per annum (in the case of B/A Drawings) and 5.25% per annum (in the case of ABR Revolving Loans, U.S. Base Rate Revolving Loans and Canadian Base Rate Revolving Loans) and (y) letter of credit and other fees at the contract rates applicable on the Petition Date under Amendment No. 2 (collectively, the "Adequate Protection Payments"), subject in each case to the Prepetition Agent's and Prepetition Revolving Lenders' reservation of their rights to assert claims for the payment of any other amounts provided for in the Prepetition Loan Documents and without prejudice to the rights of any other party to contest such assertion. None of the fees, costs and expenses payable under this paragraph shall be subject to separate or prior approval by this Court (but the Court shall resolve any dispute as to the reasonableness of any such fees, costs and expenses), and no

recipient of any such payment shall be required to file any motion or interim or final fee application with respect thereto. Nothing contained herein shall be deemed to be a waiver by any party in interest of the right to object to the reasonableness of any fees, costs and charge incurred by the Prepetition Revolving Lenders or the Prepetition Agent. The Debtors shall provide to any statutory committee appointed in these Cases and the Office of the United States Trustee, within ten days of receipt thereof, a copy of the monthly invoices for the Prepetition Agent's professionals;

(d) Reporting Requirements. The Debtors shall provide the Prepetition Agent and the Prepetition Revolving Lenders with any written financial information or reporting on the same terms as provided in the Prepetition Credit Agreement, Amendment No. 2 or any other Prepetition Loan Document (together with the information to be delivered under paragraphs 9(b) and 10(b) of this Order, the "Reporting Requirements"); and

(e) Monitoring of Collateral. The Prepetition Agent shall be permitted to retain expert consultants and financial advisors at the expense of the Debtors. The Debtors shall permit any such consultant or advisor to have reasonable access to the Debtors' premises and non-privileged records during normal business hours and shall cooperate, consult with and provide to such persons all such non-privileged information as they may reasonably request from time to time.

12. *Carve Out*. For purposes of this Order, "Carve Out" means (i) the unpaid fees due and payable to the Clerk of the Bankruptcy Court and of the Office of the United States Trustee under 28 U.S.C. § 1930(a), (ii) all reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an amount not exceeding \$25,000 in the

aggregate and (iii) after the occurrence and during the continuance of an Event of Default (as defined below), the payment of allowed and unpaid professional fees and disbursements (other than any such fees and disbursements incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Prepetition Agent or the Prepetition Revolving Lenders) incurred by (x) the Debtors not in excess of \$1,500,000 and (y) the statutory committee appointed in the Cases (the "Creditors' Committee") not in excess of \$250,000; *provided* (x) that the dollar limitation in this clause (iii) on fees and expenses shall neither be reduced nor increased by the amount of any compensation or reimbursement of expenses incurred, awarded or paid before the occurrence of an Event of Default in respect of which the Carve Out is invoked or by any fees, expenses, indemnities or other amounts paid to the Prepetition Agent, Prepetition Lender or their respective attorneys and agents, and (y) that nothing herein shall be construed to prejudice any objection to any of the fees, expenses, reimbursement or compensation described in clauses (x) and (y) above.

13. *Limitation on Charging Expenses Against Collateral.* Subject only to and effective upon entry of the Final Order, except to the extent of the Carve Out, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Prepetition Collateral or Postpetition Collateral under section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Prepetition Agent, and no such consent shall be implied from any other action, inaction, or acquiescence by the Prepetition Agent or the Prepetition Revolving Lenders (including, voteout limitation, approval of a budget).

14. *Reservation of Rights of the Prepetition Revolving Lenders.* (a) Under the circumstances known to the Prepetition Revolving Lenders as of the Petition Date (and consistent with the rights of the Prepetition Revolving Lenders under section 506(b) of the Bankruptcy Code), and based upon the Prepetition Revolving Lenders' consent, the adequate protection provided herein appears to be reasonable and sufficient to protect the interests of the Prepetition Revolving Lenders. Notwithstanding any other provision, the grant of adequate protection to the Prepetition Agent and the Prepetition Revolving Lenders is without prejudice to the Prepetition Agent's or the Prepetition Revolving Lender's request for any modification of, or further or different, adequate protection, and the Debtors' or any other party's objection to any such request.

(b) Except on the terms of this Order, at all times before the Termination Date, the Debtors are hereby enjoined and prohibited from at any time (i) using the Cash Collateral, (ii) using the Postpetition Collateral and (iii) applying to any court for an order (other than the Final Order) authorizing the use of the Cash Collateral or the Postpetition Collateral, except in connection with a debtor-in-possession financing facility to be provided by the Prepetition Agent and the Prepetition Revolving Lenders (a "DIP Facility").

15. *Perfection of Postpetition Liens and Adequate Protection Liens.*

(a) The Prepetition Agent is hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. The Postpetition Liens and Adequate Protection Liens granted under this Order shall constitute

valid and duly perfected security interests and liens, and the Prepetition Agent and the Prepetition Indenture Trustee and the Prepetition Revolving Lenders are hereby not required to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments which otherwise may be required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such security interests and liens, and such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge dispute or subordination, as of the date of entry of this Order. The failure of the Debtors to execute any documentation relating to the enforceability, priority or perfection of the Postpetition Liens or Adequate Protection Liens shall in no way affect the validity, perfection or priority of the Postpetition Liens or Adequate Protection Liens, as applicable.

(b) If the Prepetition Agent, in its sole discretion, elects to file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise to confirm perfection of such Postpetition Liens or Adequate Protection Liens, the Debtors shall cooperate with and assist in such process, the stay imposed under section 362 of the Bankruptcy Code is hereby lifted to permit the filing and recording of a certified copy of this Order or any such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, and all such documents shall be deemed to have been filed and recorded at the time of and on the date of this Order. Any error, omission or other defect in any such filing shall not affect the validity, enforceability, priority or perfection of any Postpetition Lien or Adequate Protection Lien granted under this Order.

(c) A certified copy of this Order may, in the discretion of the Prepetition Agent, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

16. *Termination of Use of Cash Collateral.* Unless otherwise agreed in writing between the Prepetition Agent (acting at the direction of Required Prepetition Revolving Lenders) and the Debtors, the Debtors' right to use the Cash Collateral or request Cash Collateral Loans shall terminate (the date of any such termination, the "Termination Date") on the earliest to occur of (i) the Expiration Date, (ii) the date that any order is issued approving a debtor-in-possession financing facility and (iii) the date upon which any of the following events shall have occurred and be continuing (unless waived by the Required Prepetition Revolving Lenders, "Events of Default") beyond any applicable grace period set forth below:

- a. The Debtors shall have failed to make any Adequate Protection Payment or other payment to the Prepetition Agent or the Prepetition Revolving Lenders as and when required by this Order;
- b. The Debtors shall have failed to (i) comply with the Budget or any other terms of this Order, (ii) comply with any other covenant or agreement specified in this Order (other than those described in clauses (i) and clause (iii) below) and such failure to comply with any such other requirement or obligation shall continue unremedied for more than three (3) business days after written notice thereof or (iii) comply with any of the Reporting Requirements and such failure shall continue unremedied for more than three (3) business days;
- c. Any representation or warranty made in writing by the Debtors in the Reporting Requirements or in any Borrowing Base Certificate (other than with respect to projected financial information) shall prove to have been incorrect in any material respect when made;
- d. Any of the Cases shall have been dismissed or converted to a Chapter 7 case; or a Chapter 11 trustee, a responsible officer, or an examiner with enlarged powers relating to the operation of the businesses of any of the Debtors (powers beyond

those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) shall have been appointed in any of the Cases;

- e. This Court shall have entered an order granting relief from the automatic stay to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any assets of any Debtor which have an aggregate value in excess of \$50,000;
- f. An order shall have been entered reversing, amending, supplementing, staying, vacating or otherwise modifying this Order without the consent of the Prepetition Agent;
- g. Any of the Debtors shall have created, incurred or suffered to exist any postpetition liens or security interests other than (i) those granted pursuant to this Order, (ii) carriers', mechanics', warehousemen's, repairmen's or other similar liens arising in the ordinary course of business, (iii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and (iv) deposits to secure the payment of any postpetition statutory obligations, performance bonds and other obligations of a like nature incurred in the ordinary course of business; provided that the aggregate value of the liens, pledges or deposits referred to in clauses (iii) and (iv) above shall not exceed \$50,000 at any one time; or any other claim which is pari passu with or senior to the claims of the Prepetition Agent and the Prepetition Revolving Lenders shall have been granted in these Cases;
- h. Any judgment in excess of \$50,000 as to any postpetition obligation not covered by insurance shall have been rendered against any Debtor and the enforcement thereof shall not have been stayed; or there shall have been rendered against any Debtor a non-monetary judgment with respect to a postpetition event which has or could reasonably be expected to have a material adverse effect on the property, business, condition (financial or otherwise) of the Debtors taken as a whole or the ability of the Debtors to perform their obligations under this Order; or
- i. Any of the Debtors (or any of its successors and assigns) shall have filed a motion or application or adversary proceeding challenging the validity, enforceability, perfection or priority of the liens securing the Prepetition Obligations or any other cause of action against and/or with respect to the Prepetition Obligations, the prepetition liens securing such Prepetition Obligations, the Prepetition Agent or the Prepetition Revolving Lenders.

The Debtors shall promptly provide notice to the Prepetition Agent (with a copy to counsel for any statutory committee appointed in the Cases and the United States Trustee) of the occurrence of any Event of Default.

17. *Remedies on Termination Date.* On the Termination Date, (i) the Debtors' right to use the Cash Collateral or request Cash Collateral Loans on the terms and conditions set forth in this Order shall terminate automatically, (ii) the unpaid Cash Collateral Loans (and any unpaid and accrued interest thereon) and Adequate Protection Payments shall automatically become immediately due and payable, (iii) the Prepetition Agent and each Prepetition Revolving Lender may setoff amounts in any account of the Debtors maintained with the Prepetition Agent or such Prepetition Revolving Lender, respectively, and (iv) the Prepetition Agent and the Prepetition Revolving Lenders may, upon five (5) business days' written notice to the Debtors (with a copy to counsel for any statutory committee appointed in these Cases and the United States Trustee), exercise the rights and remedies available under this Order or applicable law, including foreclosing upon and selling all or a portion of the Prepetition Collateral or Postpetition Collateral in order to collect the Cash Collateral Loans and the Adequate Protection Obligations. The actions described in clauses (iii) and (iv) above may be taken without further order or application to the Court as the Prepetition Agent or the Prepetition Revolving Lenders shall, in their discretion, elect, and the automatic stay is hereby deemed modified and vacated to the extent necessary to permit such actions, so long as no order prohibiting such action is entered by this Court during the above-referenced five business day period. The Prepetition Agent and the Prepetition Revolving Lenders shall be entitled to apply the payments or proceeds of the Prepetition Collateral and Postpetition Collateral in accordance with the provisions of the Prepetition Loan Documents, and in no event shall the Prepetition Agent or any of the Prepetition Revolving Lenders be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the Prepetition Collateral, the Postpetition Collateral or

otherwise. Notwithstanding the occurrence of the Termination Date or anything herein, all of the rights, remedies, benefits and protections provided to the Prepetition Agent and the Prepetition Revolving Lenders under this Order shall survive the Termination Date.

18. *Preservation of Rights Granted Under the Order.*

(a) (i) No claim or lien having a priority superior to or *pari passu* with those granted by this Order to the Prepetition Agent and the Prepetition Revolving Lenders shall be granted or allowed while any portion of the Cash Collateral Loans or Adequate Protection Obligations remain outstanding, and (ii) the Postpetition Liens and the Adequate Protection Liens shall not be (x) subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or (y) subordinated to or made *pari passu* with any other lien or security interest, whether under sections 363 or 364 of the Bankruptcy Code or otherwise.

(b) Unless all Cash Collateral Loans and Adequate Protection Obligations shall have been paid in full, the Debtors shall not seek (i) any order modifying or extending this Order without the prior written consent of the Prepetition Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the Prepetition Agent or (ii) an order converting or dismissing any of the Cases. If an order dismissing any of the Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that the Superpriority Claims, the 507(b) Claims, the Postpetition Liens and Adequate Protection Liens granted to the Prepetition Agent and the Prepetition Revolving Lenders under this Order shall continue in full force and effect and shall maintain their priorities as provided in this Order until all Cash Collateral Loans

(and any accrued and unpaid interest thereon) and Adequate Protection Obligations shall have been paid and satisfied in full (and that such Superpriority Claims, 507(b) Claims, Postpetition Liens and Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all parties in interest) and this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (i) above, to the fullest extent authorized by statute.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacatur or stay shall not affect the validity of any Cash Collateral Loans or Adequate Protection Obligations incurred before the actual receipt of written notice by the Prepetition Agent of the effective date of such reversal, modification or vacation stay, or the validity or enforceability of any lien or priority authorized or created hereby with respect to any Cash Collateral Loans or Adequate Protection Obligations. Notwithstanding any such reversal, modification, vacatur or stay, any Cash Collateral Loans or Adequate Protection Obligations incurred by the Debtors to the Prepetition Agent or the Prepetition Revolving Lenders before the actual receipt of written notice by the Prepetition Agent of the effective date of such reversal, modification, vacatur or stay, shall be governed in all respects by the original provisions of this Order, and the Prepetition Agent and the Prepetition Revolving Lenders shall be entitled to all the rights, remedies, privileges and benefits granted in section 363(m) of the Bankruptcy Code and this Order with respect to all Cash Collateral Loans and Adequate Protection Obligations.

(d) Except as expressly provided in this Order, the Postpetition Liens, the Adequate Protection Liens, the Superpriority Claims, the 507(b) Claims and all other rights and

remedies of the Prepetition Agent and the Prepetition Revolving Lenders granted by the provisions of this Order shall survive, and shall not be modified, impaired or discharged by the entry of an order converting any of the Cases to a case under chapter 7, dismissing any of the Cases, terminating the joint administration of these Cases or by any other act or omission, or the entry of an order confirming a plan in any of the Cases. The terms and provisions of this Order shall continue in these Cases, in each of these Cases if they cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the Postpetition Liens, the Adequate Protection Liens, the Superpriority Claims, the 507(b) Claims and all other rights and remedies of the Prepetition Agent and the Prepetition Revolving Lenders granted by the provisions of this Order shall continue in full force and effect until the Cash Collateral Loans (including any accrued and unpaid interest thereon) and Adequate Protections Obligations are indefeasibly paid in full.

19. *Effect of Stipulations on Third Parties.* The stipulations and admissions contained in this Order, including in paragraph 4 of this Order, shall be binding upon the Debtors and any successor thereto (including any chapter 7 or chapter 11 trustee appointed or elected in any of the Cases) in all circumstances unless a chapter 7 or chapter 11 trustee is appointed or elected during the Investigatory Period. The stipulations and admissions contained in this Order, including in paragraph 4 of this Order, shall be binding upon all other parties in interest, including any statutory committee appointed in these Cases, unless a party in interest ^{including any subsequently appointed Chapter 7 or Chapter 11 trustee} has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including *inter alia*, in paragraph 20) by no later than the date that is 60 days after the initial selection of counsel by the Official Committee of Unsecured Creditors (the "Creditors' Committee")

appointed under section 1102 of the Bankruptcy Code in the Cases (or such later date (x) as has been agreed to, in writing, by the Prepetition Agent in its sole discretion or (y) as has been ordered by the Court for good cause shown) challenging the validity, enforceability, priority or extent of the Prepetition Obligations or the Prepetition Agent's or the Prepetition Revolving Lenders' liens on the Prepetition Collateral or otherwise asserting or prosecuting any action for preferences, fraudulent transfers or conveyances, other avoiding power claims or any other any claims, counterclaims or causes of action, objections, contests or defenses (collectively, "Claims and Defenses") against the Prepetition Agent or any of the Prepetition Revolving Lenders or their affiliates, subsidiaries, members, representatives, attorneys or advisors in connection with matters related to the Prepetition Loan Documents, the Prepetition Obligations or the Prepetition Collateral, and there is a final order in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter (the "Investigatory Period"). If no such adversary proceeding or contested matter is timely filed, (x) the Prepetition Obligations shall constitute allowed secured claims in the amounts set forth in paragraph 4 of this Order, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 cases, (y) the Prepetition Agent's and the Prepetition Revolving Lenders' liens on the Prepetition Collateral shall be deemed to have been, as of the Petition Date, enforceable, legal, valid, binding and perfected, and having the priority set forth in paragraph 4, not subject to recharacterization, subordination or avoidance and (z) the Prepetition Obligations, the Prepetition Agent's and the Prepetition Revolving Lenders' liens on the Prepetition Collateral and the Prepetition Agent and the Prepetition Revolving Lenders shall not be subject to any other or further challenge by any

party in interest seeking to exercise the rights of the Debtors' estates, including any estate representative or any other successor to the Debtors (including any chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraph 4 of this Order shall nevertheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any official committee (including the Creditors' Committee) and on any other person or entity, except to the extent that such findings and admissions were expressly challenged in such adversary proceeding or contested matter. Except for the statutory rights of any chapter 11 or chapter 7 trustee, nothing in this Order vests or confers on any Person (as defined in the Bankruptcy Code), including any statutory committee appointed in these Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including Claims and Defenses with respect to the Prepetition Agreements or the Prepetition Obligations.

20. *Limitation on Use of Collateral.* Notwithstanding anything herein or in any other order by this Court to the contrary, no Cash Collateral, Cash Collateral Loans, Postpetition Collateral or the Carve Out may be used to object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the Prepetition Loan Documents, or the liens or claims granted under this Order or the Prepetition Loan Documents, assert any Claims or Defenses or causes of action against the Prepetition Agent or the Prepetition Revolving Lenders or their respective agents, affiliates, representatives, attorneys or advisors, prevent, hinder or otherwise delay the Prepetition Agent's assertion, enforcement or realization on the Cash Collateral or the Postpetition Collateral in accordance with the Prepetition Loan

Documents or this Order, seek to modify any of the rights granted to the Prepetition Agent or the Prepetition Revolving Lenders hereunder or under the Prepetition Loan Documents, in each of the foregoing cases without such the Prepetition Agent's prior written consent, or pay any amount on account of any claims arising before the Petition Date unless such payments are approved by an Order of this Court; *provided* that up to \$50,000 of Cash Collateral in the aggregate may be used to pay the allowed fees and expenses of professionals retained by any statutory committee of unsecured creditors appointed in these Cases incurred directly in connection with investigating, but not initiating or prosecuting, any Claims and Defenses against the Prepetition Agent or the Prepetition Revolving Lenders.

21. *Binding Effect; Successors and Assigns.* The provisions of this Order, including all findings herein, shall be binding upon all parties in interest in these Cases, including the Prepetition Agent, the Prepetition Revolving Lenders, any statutory committee appointed in these Cases, and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and shall inure to the benefit of the Prepetition Agent, the Prepetition Revolving Lenders and the Debtors and their respective successors and assigns; *provided* that the Prepetition Agent and the Prepetition Revolving Lenders shall have no obligation to extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

22. *Final Hearing.* The Final Hearing shall be held on April 14 2009 at 4:00 p.m. (prevailing Eastern time) before this Court.

The Debtors shall promptly mail copies of this Order (which shall constitute adequate notice of the Final Hearing, including without limitation, notice that the Debtors will seek

approval at the Final Hearing of a waiver of rights under section 506(c) of the Bankruptcy Code) to the parties having been given notice of the Interim Hearing, to any other party that has filed a request for notices with this Court and to any statutory committee after the same has been appointed, or committee counsel, if the same shall have been employed. Any party in interest objecting to the relief sought at the Final Hearing shall serve a written objection upon Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attention: Michael Nestor, attorneys for the Debtors; Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019, Attention: Robert Trust, and Landis, Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19899, Attention: Adam Landis and Matthew McGuire, attorneys for JPMorgan Chase Bank, N.A., as Prepetition Agent; and the Office of the United States Trustee for the District of Delaware, and shall file the objection with the Clerk of the United States Bankruptcy Court, District of Delaware, in each case to allow actual receipt by the foregoing no later than April 2, 2009 at 4:00 p.m. (prevailing Eastern time).

23 The Court reserves the right to unwind, after notice and a hearing, the Cash Collateral Loans and the Postpetition Liens, or a portion thereof (which might include the disgorgement or re-allocation of interest, fees or other consideration paid in respect thereof), solely in the event that there is a timely successful challenge, pursuant and subject to the limitations contained in paragraphs 19 and 20, to the validity, enforceability, extent or perfection of the liens securing the Prepetition obligations and only to the extent that the Court finds that, in light of such timely ³⁵ successful challenge, the Cash Collateral Loans and the Postpetition Liens unduly advantaged the Prepetition Receiving Lenders and the Prepetition Agent.

Dated: *March 23* 2009
Wilmington, Delaware


UNITED STATES BANKRUPTCY JUDGE

Exhibit A⁵

IAS
Cash Collateral
Budget

| Week Ending | Days in Business Week | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|-------------|-----------------------|----------|----------|----------|----------|----------|--------|
| | Budget | 1 | 5 | 5 | 5 | 5 | 21 |
| | Budget | (a) | Budget | Budget | Budget | Budget | Budget |

CASH FLOW

| NET SALES | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|------------------------------------|----------|----------|----------|----------|----------|--------|
| Sales from Customers | - | 9,308 | 9,328 | 9,328 | 9,328 | 37,292 |
| Hedge Pickup | - | 827 | 576 | 576 | 576 | 2,556 |
| NET SALES [Including Hedge Pickup] | - | 10,135 | 9,904 | 9,904 | 9,904 | 39,846 |
| Per Day | - | 2,027 | 1,981 | 1,981 | 1,981 | 7,966 |

RECEIPTS

| AIR Cash | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|-------------------|----------|----------|----------|----------|----------|--------|
| AIR Cash Receipts | - | 9,604 | 9,614 | 9,291 | 9,324 | 37,833 |

Non AIR Cash

| Non AIR Cash Receipts | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|-----------------------|----------|----------|----------|----------|----------|--------|
| Non AIR Cash Receipts | - | 200 | 200 | 200 | 200 | 800 |
| TOTAL RECEIPTS | 900 | 9,804 | 9,814 | 9,491 | 9,524 | 39,533 |

DISBURSEMENTS

| A Materials | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|----------------------------|----------|----------|----------|----------|----------|--------|
| Materials | - | 7,406 | 4,593 | 5,843 | 3,843 | 21,685 |
| Metals | - | 313 | 323 | 323 | 323 | 1,289 |
| Total Metals and Materials | - | 7,719 | 4,916 | 6,166 | 4,166 | 22,971 |

B Payroll & Benefits

| Payroll | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|--------------------|----------|----------|----------|----------|----------|-------|
| Payroll | - | 980 | 1,850 | 883 | 1,800 | 5,513 |
| Benefits | - | 408 | 821 | 408 | 281 | 1,718 |
| Payroll & Benefits | - | 1,388 | 2,471 | 1,291 | 2,081 | 7,231 |

C Operating Expenses

| Operating Expenses | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|-----------------------|----------|----------|----------|----------|----------|-------|
| Operating Expenses | - | 1,612 | 1,658 | 1,658 | 1,658 | 6,587 |
| Lease/Insurance | - | - | 650 | - | - | 650 |
| Miscellaneous/Cushion | - | - | - | - | - | - |
| Operating Expenses | - | 1,612 | 2,308 | 1,658 | 1,658 | 7,237 |

D Capital Expenditures

| Capital Expenditures | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|----------------------|----------|----------|----------|----------|----------|-------|
| Capital Expenditures | - | 100 | 100 | 100 | 100 | 400 |
| Tool & Die | - | 200 | 200 | 200 | 200 | 800 |
| Capital Expenditures | - | 300 | 300 | 300 | 300 | 1,200 |

E Total Operating Disbursements

| Total Operating Disbursements | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|-------------------------------|----------|----------|----------|----------|----------|--------|
| Total Operating Disbursements | - | 11,019 | 9,997 | 9,417 | 8,207 | 38,639 |

F Debt Service

| Debt Service | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|---------------------------------|----------|----------|----------|----------|----------|-------|
| Debt Service | - | 260 | - | - | - | 260 |
| Interest - Prepetition Revolver | - | - | - | - | - | - |
| Interest - DIP Revolver | - | - | - | - | - | - |
| Interest - Prepetition Term | - | - | - | - | - | - |
| Bond Interest | - | - | - | - | - | - |
| Bank Fees | - | - | - | - | - | - |
| DIP Fees | - | - | - | - | - | - |
| Debt Service | - | 260 | - | - | - | 260 |

G Bankruptcy Related Expenses

| Bankruptcy Related Expenses | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|-----------------------------|----------|----------|----------|----------|----------|-------|
| Bankruptcy Related Expenses | - | - | 185 | - | - | 185 |
| Professional Fees | - | - | - | - | - | - |
| Utility Deposits | - | - | - | - | - | - |
| Bankruptcy Related Expenses | - | - | 185 | - | - | 185 |

TOTAL DISBURSEMENTS

| Total Disbursements | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|---------------------|----------|----------|----------|----------|----------|--------|
| Total Disbursements | - | 11,278 | 10,182 | 9,417 | 9,327 | 40,204 |

BEGINNING CASH BALANCE

| Beginning Cash Balance | 03/20/09 | 03/27/09 | 04/03/09 | 04/10/09 | 04/17/09 | Total |
|------------------------|----------|----------|----------|----------|----------|-------|
| Beginning Cash Balance | 1,000 | - | - | - | - | 1,000 |
| NET CASH FLOW | 900 | (1,474) | (358) | 74 | 197 | (671) |
| CASH BALANCE | 1,900 | 426 | 58 | 132 | 329 | 2,845 |

Note:
(a) Represents estimated activity for Friday March 20, 2009.

Court File No.

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 April 3, 2009)

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

Line Rogers LSUC# 43562N
Tel: (416) 863-4168
Fax: (416) 863-2653

Katherine McEachern LSUC#: 38345M
Tel: (416) 863-2566
Fax: (416) 863-2653

Lawyers for the Applicants

TAB 3

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.

CONSENT

FTI CONSULTING CANADA ULC HEREBY CONSENTS to act as Monitor
in the above-captioned proceedings.

Dated at Toronto this 3rd day of April, 2009

FTI CONSULTING CANADA ULC

Per:



Name: Nigel D. Meakin

Authorized Signing Officer

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

Court File No.

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPLICATION RECORD

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street, Suite 2800
Box 25, Commerce Court West
Toronto, Ontario M5L 1A9

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

Katherine McEachern LSUC#: 38345M
Tel: (416) 863-2566
Fax: (416) 863-2653

Lawyers for the Applicants