

**Court File No. CV-09-8122-00CL**

**Indalex Limited  
Indalex Holdings (B.C.) Ltd.  
6326765 Canada Inc. and  
Novar Inc.**

**FOURTH REPORT OF THE MONITOR  
June 11, 2009**

**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.

**FOURTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA ULC  
IN ITS CAPACITY AS MONITOR**

**INTRODUCTION**

1. On April 3, 2009, Indalex Limited ("**Indalex**"), Indalex Holdings (B.C.) Ltd. ("**Indalex BC**"), 6326765 Canada Inc. ("**632**") and Novar Inc. ("**Novar**") (collectively, the "**Applicants**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and an Initial Order (the "**Initial Order**") was made by the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicants until May 1, 2009 (the "**Stay Period**"), and appointing FTI Consulting Canada ULC as monitor ("**FTI Canada**" or the "**Monitor**"). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the "**CCAA Proceedings**".
2. On April 8, 2009, the Honourable Mr. Justice Morawetz granted the Amended & Restated Initial Order which, *inter alia*, approved the DIP Credit Agreement (as defined in paragraph 33 of the Amended & Restated Initial Order).

3. On April 22, 2009, the Honourable Mr. Justice Morawetz granted an Order which, *inter alia* extended the Stay Period to June 26, 2009, and approved the Marketing Process.
4. Indalex's parent is Indalex Holding Corp. ("**Indalex Holding**"), which is a wholly-owned subsidiary of Indalex Holdings Finance, Inc. ("**Indalex Finance**"). Indalex BC, 632 and Novar are wholly owned subsidiaries of Indalex. Collectively, Indalex Finance and its affiliates (the "**Indalex Group**") is the second largest aluminium extruder in North America.
5. On March 20, 2009, Indalex Holding, Indalex Finance, Indalex Inc., Caradon Lebanon, Inc. and Dolton Aluminum Company, Inc. (collectively, the "**US Debtors**") commenced proceedings (the "**Ch.11 Proceedings**") under chapter 11 of the *United States Bankruptcy Code* (the "**USBC**") in the United States Bankruptcy Court, District of Delaware (the "**US Court**"). The case has been assigned to Judge Walsh.
6. The purpose of this report is to inform the Court on the following:
  - (a) The progress of the Marketing Process;
  - (b) The receipts and disbursements of the Applicants for the period May 2, 2009 to May 29, 2009;
  - (c) The Applicants' request for approval of an increase in the Canadian Revolving Sub-Commitment under the DIP Credit Agreement from \$24,360,000 to \$29,500,000 pursuant to Amendment No. 1 to the DIP Credit Agreement, dated June 10, 2009, (the "**DCA Amendment**") and the Monitor's recommendation thereon; and
  - (d) The Applicants' revised and extended cash flow forecast to July 24, 2009, 2009 (the "**June 11 Forecast**"), prepared on the assumption that the DCA Amendment is approved.

7. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by the Applicants and discussions with the Applicants' management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Amended & Restated Initial Order or prior Monitor's Reports.

#### **THE PROGRESS OF THE MARKETING PROCESS**

9. This Court approved the Marketing Process described in the Second Report of the Monitor dated April 20, 2008. The Monitor provided an update on the progress of the Marketing Process in its Third Report dated May 11, 2009. Copies of the Monitor's Reports can be obtained from the Monitor's website at <http://cfcanda.fticonsulting.com/indalex>.
10. A significant number of letters of intent were received by the LOI Deadline and a number of Interested Parties were invited to undertake further detailed due diligence.
11. Interested parties were asked to submit offers by June 4, 2009. A number of offers for the going concern acquisition of the business and assets of the Applicants and the US Debtors have now been received.

12. Management of both the US Debtors and the Applicants, in consultation with the legal and professional advisors of the US Debtors and the Applicants and the Monitor, assessed the offers received and made a recommendation to the Board of Directors of the US Debtors (the “**US Board**”) and to the Board of Directors of the Applicants (the “**Canadian Board**”) on which offer to proceed with. On June 10, 2009, the Canadian Board approved management’s recommendation. On June 11, 2009, the US Board approved management’s recommendation and authorized management to commence negotiation of a definitive agreement of purchase and sale. The negotiated agreement will, subject to the approval of the Court and the US Court, constitute a “stalking-horse bid” (the “**Stalking-Horse**”) in a process which will solicit “qualifying topping bids” in contemplation of an auction involving the Stalking-Horse and those parties that submit qualifying topping bids.
13. The Monitor currently expects that the Applicants will return to Court on or around July 2, 2009, to seek approval of procedures for the solicitation of qualifying topping bids and for the conduct of the auction.
14. Details of the offers have not been included in this report in order to protect the integrity of the Marketing Process. Further detail will, of course, be provided to this Honourable Court at the appropriate time.

#### **RECEIPTS & DISBURSEMENTS TO MAY 29, 2009**

15. The Applicants’ actual cash flow on a consolidated basis for the period May 1, 2009 to May 29, 2009, was approximately \$2.5 million worse than the April 7 Forecast (as defined in the Monitor’s First Report) as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
<b>Receipts:</b>			
Accounts Receivable	21,272	17,886	(3,386)
Other	354	240	(114)
<b>Total Receipts</b>	<b>21,626</b>	<b>18,126</b>	<b>(3,500)</b>
<b>Disbursements:</b>			
Raw Materials - Metals	14,721	13,486	1,235
Raw Materials - Other Materials	615	531	84
Payroll	1,851	2,974	(1,123)
Benefits	673	573	100
Operating Expenses	2,513	1,479	1,035
GST	354	518	(164)
Capex - Tool & Die	264	122	142
Bank Fees & Interest	236	111	125
Legal & Professional Fees	325	797	(472)
<b>Total Disbursements</b>	<b>21,553</b>	<b>20,591</b>	<b>962</b>
<b>Excess of Receipts over Disbursements</b>	<b>73</b>	<b>(2,465)</b>	<b>(2,538)</b>
<b>Pre-Filing Facility Roll-Up:</b>			
Balance b/f	3,619	6,633	(3,014)
Collections	(3,619)	(6,633)	3,014
<b>Balance c/f</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIP Facility:</b>			
Balance b/f	0	0	0
Advances	39,180	35,231	3,949
Repayments	(18,007)	(11,493)	(6,514)
<b>Balance c/f</b>	<b>21,173</b>	<b>23,738</b>	<b>(2,565)</b>
Margin Availability	21,964	24,360	2,396
Total Senior Secured Borrowings	(21,173)	(23,738)	(2,565)
<b>Excess/(Shortfall) Availability</b>	<b>791</b>	<b>622</b>	<b>(169)</b>

16. Explanations for the key variances in actual receipts and disbursements as compared to the April 7 Forecast are as follows:

- (a) Accounts receivable collection assumptions have proven aggressive, notwithstanding the Applicants efforts to collect receivables;
- (b) Payroll disbursements were higher than forecast primarily as a result of the seasonal increase production levels and headcount that had inadvertently not been included in the forecast and the impact of the increase in the Canadian/US exchange rate; and

- (c) Remaining disbursements were lower than forecast primarily owing to lower than anticipated metal purchase arising in part from constrained liquidity and the deferral of payments as described later in this report.

## **THE APPLICANTS' REQUEST FOR APPROVAL OF AN INCREASE IN THE CANADIAN REVOLVING SUB-COMMITMENT**

### **LIQUIDITY ISSUES**

17. In recent weeks, the Applicants have experienced unanticipated restricted liquidity as a result of the margin availability calculation and the Canadian Sub-Facility Limit under the DIP Credit Agreement. The Monitor raised its concerns with respect to these issues with the Applicants, the US Debtors and the advisors to the DIP Lenders. The Monitor was advised that the Applicants understood the seriousness of the situation and were considering various strategies to address the immediate cash flow issues. Further, the Monitor was advised that the Applicants were taking diligent steps to control expenditures and adhere to their budget.
18. However, notwithstanding these efforts there is insufficient cash available under the current borrowing facilities to meet ongoing expenses. As a result, the Applicants have experienced difficulty sourcing supply of raw materials and certain post-filing payables have become overdue. As at June 8, 2009, the Applicants estimate that approximately \$1.9 million of post-filing third-party liabilities are past due for payment.
19. In order to provide the additional liquidity required for payment of accrued post-filing liabilities and funding of operations, the US Debtors, the Applicants and the DIP Lenders have entered into the DCA Amendment. The Applicants have informed the Monitor that they will continue their efforts to ensure expenses are only incurred as necessary for continuing operations and completing the restructuring process.

## THE DCA AMENDMENT

20. The DCA Amendment, a redacted copy of which is attached hereto as Appendix A, was executed on June 10, 2009. The DCA Amendment amends the DIP Credit Agreement as follows:
- (a) The “availability block”, which restricts borrowings by the US Debtors, is reduced from \$4 million to \$2 million immediately and from \$2 million to zero from July 3, 2009 provided that the Borrowers are in compliance with their obligation to meet the milestones set out in the DIP Credit Agreement;
  - (b) Increases the Canadian Revolving Sub-Commitment from \$24,360,000 to \$29,500,000, subject to approval by the Court;
  - (c) Restates the following milestones:
    - (i) The deadline for executing a stalking-horse agreement, subject to Court approval, from June 18, 2009 to June 16, 2009; and
    - (ii) The deadline for closing a sale of the business from July 20, 2009 to July 21, 2009.
21. Based on the June 11 Forecast, the Applicants estimate that the DCA Amendment provides approximately \$3.9 million in additional liquidity to the Applicants. In addition, the DCA Amendment provides approximately \$4 million in additional liquidity to the US Debtors.



22. A fee is payable in respect of the DCA Amendment. The Applicants have informed the Monitor that they have been requested not to publicly disclose the fee arrangement, but that they will provide details to the Court. The Applicants have informed the Monitor of the fee arrangement and the Monitor is of the view that the quantum of the fee is not commercially unreasonable in the circumstances.
23. As described in more detail below, the June 11 Forecast includes payment of the overdue post-filing liabilities by the week ended July 3, 2009 and shows that the Applicants will have sufficient liquidity to fund ongoing operations and make future payments when due if the increase in the Canadian Revolving Sub-Commitment as provided for in the DCA Amendment is approved by the Court and the underlying business assumptions in the June 11 Forecast are met.
24. The DCA Amendment is conditional on the letter of intent selected by the US Debtors and the Applicants as the basis for the negotiation of the stalking-horse bid meeting certain value thresholds (which thresholds have been redacted from Appendix A to protect the integrity of the Marketing Process). The Applicants and the US Debtors believe that the offer selected meets these thresholds. Based on the analysis provided by Jefferies, the Monitor concurs with this view.

#### **THE MONITOR'S RECOMMENDATION**

25. The Applicants are in need of additional liquidity in order to bring the arrears of post-filing liabilities current and to continue operations while the Marketing Process is completed.
26. The Marketing Process is well advanced and the Applicants and the US Debtors are in the process of negotiating a stalking-horse agreement, subject to the approval of the Court and the US Court. The Monitor is of the view that paying the arrears of post-filing liabilities, maintaining operations and completing the Marketing Process is in the best interests of all stakeholders.

27. Based on the information currently available, the Monitor is of the view that creditors of the Applicants will not be materially prejudiced by the approval of the proposed increase in the Canadian Revolving Sub-Commitment from \$24,360,000 to \$29,500,000.
28. Accordingly, the Monitor respectfully recommends that this Honourable Court approve the Applicants request for an increase in the Canadian Revolving Sub-Commitment from \$24,360,000 to \$29,500,000.


**REVISED AND EXTENDED CASH FLOW FORECAST TO JULY 24, 2009**

29. The June 11 Forecast is attached hereto as Appendix B. The significant changes in the underlying assumptions in the June 11 Forecast as compared to the April 7 Forecast are summarized below:
  - (a) A reduction in accounts receivable collections to reflect the Applicants' recent collection experience;
  - (b) The payment of arrears of post-filing liabilities;
  - (c) An increase in payroll estimates to reflect current run-rates;
  - (d) The inclusion of cash-in-advance payments in respect of supply from the Applicants to the US Debtors; and
  - (e) The increase of the Canadian Revolving Sub-Commitment as discussed earlier in this report.

The Monitor respectfully submits to the Court this, its Fourth Report.

Dated this 11<sup>th</sup> day of June, 2009.

FTI Consulting Canada ULC  
In its capacity as Monitor of  
Indalex Limited, Indalex Holdings (B.C.) Ltd.,  
6326765 Canada Inc. and Novar Inc.



Nigel D. Meakin  
Senior Managing Director

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# Appendix A

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## DCA Amendment

AMENDMENT NO. 1, dated as of June 11, 2009 (this "Amendment") to the Credit Agreement dated as of April 8, 2009 (the "Credit Agreement"), among Indalex Holdings Finance, Inc., a Delaware corporation, Indalex Holding Corp., a Delaware corporation (the "Parent Borrower"), Indalex Limited, a Canadian corporation, certain subsidiaries of the Parent Borrower, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. Capitalized terms used in this Amendment but not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

WHEREAS the Parent Borrower has requested that the Lenders amend certain provisions of the Credit Agreement; and

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

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties hereby agree as follows:

SECTION 1. Amendments to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended as follows:

(a) The following terms are added in their proper alphabetical order:

"Amendment No. 1" means Amendment No. 1 to this Agreement, dated as of June 11, 2009, among the parties hereto.

"Amendment No. 1 Effective Date" has the meaning assigned to it in Amendment No. 1.

"Minimum Net Proceeds" has the meaning assigned to such term in Section 5.14.

"Sale Motions" has the meaning assigned to such term in Section 5.14.

(b) The definition of the term "Availability Block" is amended by adding the following sentence to the end thereof:

"Notwithstanding the foregoing, unless the Parent Borrower fails to perform its obligations under Section 5.14 (and such failure has not been waived by the Required Lenders), "Availability Block" shall mean, at any time, an amount equal to the Stub Availability Block at such time, plus (a) at any time on or after the Amendment No. 1 Effective Date through July 3, 2009, \$2,000,000, and (b) at any time after July 3, 2009, zero dollars."

(c) Subject to the Canadian Subsidiary Borrower obtaining approval of the Canadian Court, the definition of the term “Canadian Revolving Sub-Commitment” is amended by replacing the figure “\$24,360,000” with the figure “\$29,500,000”.

(d) The definition of the term “Reserves” is amended by adding the following sentence to the end of such definition: “Notwithstanding anything to the contrary in the definitions of the terms “Canadian Borrowing Base” and “Domestic Borrowing Base”, changes by the Administrative Agent in the application of the WEPP Reserves and the reserve for the Directors Charge against the Canadian Borrowing Base versus the Domestic Borrowing Base (and *vice versa*) may be made upon same-day notice to the Lenders and the Parent Borrower via email to the addresses for such parties previously provided to the Administrative Agent.”

SECTION 2. Amendment to Section 5.14. Section 5.14 of the Credit Agreement is hereby amended and restated in its entirety as follows:

SECTION 5.14 Milestones.

(a) On or before the date that is 10 Business Days after the Effective Date, the Canadian Subsidiary Borrower shall have obtained the approval of the Canadian Court for a sale process in connection with the sale of all or substantially all of its assets, together with the assets of the other Loan Parties and their Subsidiaries substantially on the same terms as the process to be approved by the Bankruptcy Court and otherwise acceptable to the Administrative Agent (the “Canadian Sale Process Order”).

(b) On or before June 11, 2009, the Parent Borrower or Holdings shall have delivered to the Administrative Agent at least one executed letter of intent from a Person that is not an Affiliate of any Loan Party (a “Bidder”) containing a written proposal to acquire, directly or indirectly, all or substantially all the assets of the Loan Parties and their subsidiaries under Section 363 of the Bankruptcy Code and in compliance with the Canadian Sale Process Order (a “Company Sale”), which proposal: (i) contains no financing, due diligence or other condition or contingency (except confirmatory due diligence and execution of definitive documentation), which, in the sole discretion of the Administrative Agent, would impair the likelihood of a Sale Closing, (ii) in the sole discretion of the Administrative Agent, would be expected to result in a Sale Closing and Net Proceeds in cash in an aggregate dollar amount greater than \_\_\_\_\_ of which at least \_\_\_\_\_ would be attributable to the sale of assets of the Parent Borrower and its Domestic Subsidiaries (the “Minimum Net Proceeds”) and (iii) is not rescinded, terminated, amended or otherwise modified (except with the written consent of the Required Lenders) prior to June 16, 2009.

(c) On or before June 16, 2009, the Parent Borrower or Holdings shall have (i) executed a definitive agreement with a Bidder for a Company Sale (with the authorization of the Canadian Court), which is in form and substance reasonably satisfactory to the Administrative Agent and which in the reasonable discretion of the

Administrative Agent would be expected to result in a Sale Closing and receipt of the Minimum Net Proceeds by no later than July 21, 2009 and (ii) filed motions, in form and substance reasonably satisfactory to the Administrative Agent, in the Bankruptcy Court and the Canadian Court seeking approval of such Company Sale (the "Sale Motions").

(d) On or before July 2, 2009, the Bankruptcy Court and the Canadian Court shall have entered orders approving the bidding procedures set forth in the Sale Motions, which orders shall (i) provide that competing qualified bids shall have been received at least three days prior to the auction, (ii) provide that the auction, if any, shall occur no later than July 16, 2009, (iii) provide that the hearing to approve the Company Sale shall occur no later than July 20, 2009 and (iv) otherwise be in form and substance reasonably satisfactory to the Administrative Agent.

(e) On or before July 16, 2009, the auction, if any, shall have concluded.

(f) On or before July 20, 2009, the Bankruptcy Court and the Canadian Court shall have each entered an order approving a Company Sale, which order shall in each case be in form and substance reasonably satisfactory to the Administrative Agent.

(g) On or before July 21, 2009, Holdings or the Parent Borrower shall have effected a Sale Closing resulting in the receipt of the Minimum Net Proceeds.

SECTION 3. Amendment to Schedule 2.01. Schedule 2.01 to the Credit Agreement is hereby replaced in its entirety with Schedule 2.01 to this Amendment.

SECTION 4. Representations and Warranties. Holdings and each Borrower represents and warrants to the Administrative Agent and to each Lender 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, in the case of Section 1(c), to the receipt of Canadian Court approval);

(b) after giving effect to this Amendment, the representations and warranties of each of the Loan Parties set forth in the Loan Documents that are qualified by materiality shall be true and correct, and the representations and warranties that are not so qualified shall be true and correct in all material respects (other than with respect to any representation and warranty that expressly relates to an earlier date, in which case such representation and warranty shall be true and correct, or true and correct in all material respects, as the case may be, as of such earlier date); and

(c) immediately after giving effect to this Amendment, no Default shall have occurred and be continuing.

SECTION 5. Conditions to Effectiveness. This Amendment shall become effective as of the first date (the "Amendment No. 1 Effective Date") on which:

(a) the Administrative Agent (or its counsel) shall have received from Holdings, each Borrower, each other Loan Party and each Lender 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

(b) the Administrative Agent 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 or any other Loan Document.

SECTION 6. 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, 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 7. 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, EXCEPT TO THE EXTENT THE BANKRUPTCY CODE GOVERNS.**

(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 8. 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 9. 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

  
Name: Timothy R. J. Stubbs  
Title: President & CEO


INDALEX HOLDING CORP.,

By

  
Name: Timothy R. J. Stubbs  
Title: President & CEO


INDALEX LIMITED,

By

  
Name: Timothy R. J. Stubbs  
Title: President & CEO


INDALEX INC.,

By

  
Name: Timothy R. J. Stubbs  
Title: President & CEO


CARADON LEBANON, INC.,

By

  
Name: Timothy R. J. Stubbs  
Title: President & CEO

DOLTON ALUMINUM COMPANY, INC.,

By

  
Name: Timothy R. J. Stubbs  
Title: President & CEO

[Amendment No. 1 Signature Page]

INDALEX HOLDINGS (B.C.) LTD.,

By



Name: Timothy R.J. Stubbs  
Title: President & CEO

NOVAR INC.,

By



Name: Timothy R.J. Stubbs  
Title: President & CEO

6326765 CANADA INC.,

By




Name: Timothy R.J. Stubbs  
Title: President & CEO

[Amendment No. 1 Signature Page]

[3148960]

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

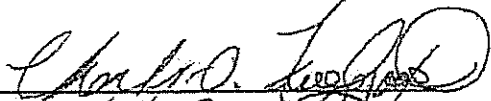
By

  
Name: Charles O. Frenkel  
Title: Managing Director

[Amendment No. 1 Signature Page]

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

By

  
Name: Charles O. Freese  
Title:

[Amendment No. 1 Signature Page]

To consent to this Amendment:

Institution: BANK OF AMERICA

By: H Michael Wills

Name: H MICHAEL WILLS

Title: SENIOR VICE PRESIDENT

For any Lender requiring a second signature line:

By: \_\_\_\_\_

Name:

Title:

[Amendment No. 1 Signature Page]

To consent to this Amendment:

Institution: BANK OF AMERICA, N.A.  
CANADA BRANCH

By: [Signature]

Name: MEDINA SALES DE ANDRADE

Title: VICE PRESIDENT

For any Lender requiring a second signature line:


By: \_\_\_\_\_

Name:

Title:

To consent to this Amendment:

Bank of Montreal



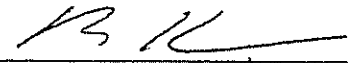
David J. Bechstein  
Vice President

[Amendment No. 1 Signature Page]



To consent to this Amendment:

Institution: General Electric Capital Corp.

By: 

Name: Bond Herberts

Title: Doty Authorized Signatory

For any Lender requiring a second signature line:

By: \_\_\_\_\_

Name:

Title:

To consent to this Amendment:

Institution: GE General Finance Holding Co.

By: \_\_\_\_\_  
Name: **NICK LALANI**  
Title: **DULY AUTHORIZED SIGNATORY**

For any Lender requiring a second signature line:

By: \_\_\_\_\_  
Name:  
Title:

[Amendment No. 1 Signature Page]

To consent to this Amendment:

Institution: Wachovia Capital Finance Corporation  
(Canada)

By: [Signature]  
Name: Vicki Crest  
Title: Director

For any Lender requiring a second signature line:

By: [Signature]  
Name: **Niall Hamilton**  
Title: **Senior Vice President**  
**Wachovia Capital Finance Corporation**  
(Canada)

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To consent to this Amendment:

Institution: Wells Fargo Foothill, LLC

By: Rohan Damani

Name: Rohan Damani

Title: vka President

For any Lender requiring a second signature line:

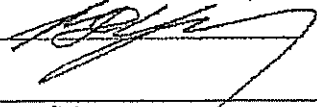
By: \_\_\_\_\_

Name:

Title:

To consent to this Amendment:

Institution: WELLS FARGO FINANCIAL CORPORATION CANADA

By: 

Name: PAUL D. YOUNG

Title: VICE PRESIDENT

For any Lender requiring a second signature line:

By: \_\_\_\_\_

Name:

Title:

[Amendment No. 1 Signature Page]

**Schedule 2.01**

**Commitment Schedule**

<b>Lender</b>	<b>Revolving Commitments</b>	<b>Canadian Revolving Sub-Commitments</b>
<ul style="list-style-type: none"><li>• JPMorgan Chase Bank, N.A.</li><li>• JPMorgan Chase, N.A., Toronto Branch</li></ul>	\$13,875,448.00	\$4,793,750.00
<ul style="list-style-type: none"><li>• Bank of Montreal</li></ul>	\$13,875,448.00	\$4,793,750.00
<ul style="list-style-type: none"><li>• Wells Fargo Foothill, LLC</li><li>• Wells Fargo Financial Corporation Canada</li></ul>	\$20,066,032.00	\$6,932,500.00
<ul style="list-style-type: none"><li>• Bank of America, N.A.</li><li>• Bank of America, N.A., Canada Branch</li></ul>	\$18,785,221.00	\$6,490,000.00
<ul style="list-style-type: none"><li>• General Electric Capital Corporation</li><li>• GE Canada Finance Holding Company</li></ul>	\$9,392,611.00	\$3,245,000.00
<ul style="list-style-type: none"><li>• Wachovia Capital Finance Corporation (Central)</li><li>• Wachovia Capital Finance Corporation (Canada)</li></ul>	\$9,392,611.00	\$3,245,000.00
<b>Total</b>	<b>\$85,387,371.00</b>	<b>\$29,500,000.00</b>

[Amendment No. 1 Signature Page]

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# Appendix B

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**June 11 Forecast**

**Indalex Limited**  
**Indalex Holdings (B.C.) Ltd.**  
**Canada Cash Flow Forecast**

Week Ending	6/12/2009	6/19/2009	6/26/2009	7/3/2009	7/10/2009	7/17/2009	7/24/2009	Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>Receipts:</b>								
Accounts Receivable	2,555	3,572	3,492	3,456	4,333	4,238	3,859	25,507
Cash in Advance Receipts	-	1,000	350	250	1,080	-	-	2,680
Other	-	-	64	565	-	64	290	983
<b>Total Receipts</b>	<b>2,555</b>	<b>4,572</b>	<b>3,906</b>	<b>4,271</b>	<b>5,413</b>	<b>4,302</b>	<b>4,149</b>	<b>29,170</b>
<b>Disbursements:</b>								
Raw Materials - Metals	3,149	3,149	3,265	1,806	2,223	2,843	2,657	19,092
Raw Materials - Other Materials	-	-	-	-	-	-	-	-
Payroll	698	436	698	438	1,619	437	699	5,025
Benefits	201	99	201	99	201	99	201	1,100
Operating Expenses	594	594	613	608	576	579	598	4,162
Payment of Accounts Payable	-	-	-	-	-	-	-	-
GST	-	-	-	354	-	-	-	354
Capex - Tool & Die	53	53	53	53	53	53	53	371
Capex - Other	-	-	-	-	-	-	-	-
Bank Fees & Interest	214	-	-	296	-	-	-	510
Legal & Professional Fees	60	60	60	50	313	50	85	678
Cash in Advance Repayments	-	-	-	-	-	-	-	-
Payment of Past Due Amounts	-	731	731	500	-	-	-	1,961
<b>Total Disbursements</b>	<b>4,968</b>	<b>5,121</b>	<b>5,621</b>	<b>4,203</b>	<b>4,985</b>	<b>4,061</b>	<b>4,293</b>	<b>33,253</b>
<b>Excess of Receipts over Disbursements</b>	<b>(2,413)</b>	<b>(549)</b>	<b>(1,715)</b>	<b>68</b>	<b>429</b>	<b>241</b>	<b>(144)</b>	<b>(4,083)</b>
<b>Cumulative Net Cash Flow</b>	<b>(2,413)</b>	<b>(2,962)</b>	<b>(4,676)</b>	<b>(4,609)</b>	<b>(4,180)</b>	<b>(3,940)</b>	<b>(4,083)</b>	<b>(4,083)</b>
<b>Pre-Filing Facility Roll-Up:</b>								
Balance b/f	-	-	-	-	-	-	-	-
Collections	-	-	-	-	-	-	-	-
<b>Balance c/f</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DIP Facility:</b>								
Balance b/f	23,569	25,983	26,531	28,246	28,178	27,750	27,509	23,569
Advances	2,413	549	1,715	-	-	-	144	4,820
Repayments	-	-	-	(68)	(429)	(241)	-	(737)
<b>Balance c/f</b>	<b>25,983</b>	<b>26,531</b>	<b>28,246</b>	<b>28,178</b>	<b>27,750</b>	<b>27,509</b>	<b>27,653</b>	<b>27,653</b>
Margin Availability	26,587	27,281	28,302	28,233	27,869	27,847	28,202	
Total Senior Secured Borrowings	(25,983)	(26,531)	(28,246)	(28,178)	(27,750)	(27,509)	(27,653)	
<b>Excess/(Shortfall) Availability</b>	<b>604</b>	<b>749</b>	<b>56</b>	<b>55</b>	<b>119</b>	<b>338</b>	<b>549</b>	