

July 02, 2009

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

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

the Applicants

L. Rogers + M. McEachern + J. P. L. +  
for Indalex

July 2, 2009

A. J. Joyner + L. Turner for FTI

P. Macdonald + J. Lewis for J.P.A. Torsen.

K. Kretz + for IAPA HFD by AS.

A. Hettray + J. Yolkovis + A. McKinnin for

K. Carruthers + DEEP Retirees.

B. Egan for Sun Indalex

J.P. Lavelle for U.S. Unsecured Creditors' Committee

C. Finlay for NITELCO

The Applicants seek a Order approving the Bid by  
Proceeders as well as a Order dealing the

Stakeholders Bid to be a Qualified

Bid pursuant to the Bid by Proceeders

as will as approved by the Bid by

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD  
(Returnable July 2, 2009)

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Lawyers for the Applicants



Fee.

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The Minutes recommends that the reply be granted. No party, with the exception of Mr. Carnothen and the SERP Retirees, is opposed.

This matter directly stems from the Marketing Process which was approved by the Court on April 22/09. The conduct of the Marketing Process is set out in both the Affidavit of Mr. Fazio and in the Minutes Report. The Stanley House Bid of Mr. Walker of SARA Holders was executed on June 16/09, the Notice of Iten was served on June 17/09.

The Marketing Process was conducted in both U.S. and Canada. Mr. Rogers advised that the Bidding Procedures have been approved, with minor modifications, by the U.S.

Bidday Court earlier today.

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It is also noted that it is a condition precedent to the performance by the Stalling Horse Bidder that the Bidday Procedures be Court approved by today.

Mr. Rogers expressed the ~~hope~~<sup>view</sup> that the Stalling Horse Bid is a worst case scenario - but that it does represent a "bird in the hand".

This is not a matter to approve the instruction. This issue will be addressed at a future time.

The approval of the Bidday Procedure is opposed by Mr. Hartney on behalf of certain retirees. Mr. Hartney requests a 7 day adjournment. That request ~~is~~ is problematic in view

of the aforementioned credits proceeds.  
The main concern of the retirees is  
that their position and views have not  
been considered in this process. The

Staffing House Bidder is not assuming  
the pension liabilities. Further, Mr.

Hettray submits that there are a  
number of unanswered questions ~~regarding~~  
relating to both the Executive Pension  
and the Supplemental Pension.

The position facing the retirees is unfortunate.  
The retirees are currently not receiving what  
they bargained for. However, reality cannot  
be ignored and the nature of <sup>the Assets</sup> ~~insolvency~~  
is such that there are insufficient  
assets to meet the ~~liabilities~~ <sup>of the liabilities</sup>.

The retirees are not alone in this respect

The objective of these proceedings is to achieve<sup>5</sup>  
the best possible outcome for the  
stakeholders. In addressing this objection  
the Applicants put forth a process -  
the Market Process - which has already  
been court approved. No party objected  
to the previous approval. In my view  
the Applicants have adhered to the  
court approved process and there is  
no basis to either delay the consideration  
of this motion or to give effect to  
the objection raised by the respondents.  
To hold otherwise would be to jeopardize  
the Stalling Horse Bid.

In my view the issues raised by the  
respondents do not have any impact  
on the Bidding Procedures. The issues

can be raised by the retirees or  
~~by~~ any applicant to, approved  
 a transaction - but that is for  
 another day. The Sandor principles  
 raised by Mr. Hering are more applicable  
 in my view to ~~the~~ any sale approval  
 matter. For this matter, the process  
 that is relevant is the Turkey Process  
 as approved on April 22/09 which  
 the Applicants have followed.

The Bidding Procedures are <sup>therefore</sup> approved.

The Staking these Bid is deemed to be  
 a Qualifying Bid and the Breakup Fee  
 is approved.

The Maruta filed a Supplement to the  
 Sixth Report. In my view the document  
 contains updated information the

release of which could be prejudicial to  
 the interests of the Applicants and stakeholders.  
 In my view it is appropriate to grant  
 a sealing order with respect to this  
 document. The document is to be sealed  
 pending further orders.

[subject to  
 edit if  
 typed]

