Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

THE HONOURABLE	)	FRIDAY, THE 9TH DAY
	)	
MR. JUSTICE FARLEY	)	OF JULY, 2004

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 or Plans of Compromise or Arrangement of Ivaco Inc. and the Applicants listed in Schedule "A"

Applicants

ORDER

THIS MOTION made by Ivaco Inc. (the "Applicant") for an Order authorizing the Applicant to obtain insurance premium financing for certain policies of insurance (the "Policies") from AIG Credit Corp. of Canada and/or AICCO Inc. (collectively referred to as "AIG Credit") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Hugh W. Blakely sworn on July 7, 2004 and on hearing counsel for the Applicant, and on being advised that the Service List was served with the Notice of Motion;

1. THIS COURT ORDERS that this motion is properly returnable today and that the time for service of materials for this motion be and is hereby abridged to the date of actual service and that any further requirement for service of the Notice of Motion and the Motion Record be and is hereby dispensed with.

2. THIS COURT ORDERS that the Applicant be and is hereby authorized to take any and all actions necessary and appropriate to consummate the negotiation of a premium finance agreement in AIG Credit's Standard Form (the "Premium Finance Agreement") and the moveable hypothec hereinafter referred to.

3. THIS COURT ORDERS AND DECLARES that the negotiated Premium Finance Agreement will constitute a valid and binding obligation of the Applicant enforceable against it and any trustee in bankruptcy or other successor in interest to the Applicant in accordance with the terms thereof, and that the payments made pursuant thereto do not and will not be deemed to constitute fraudulent preferences or other challengeable or reviewable transactions under any applicable law.

4. THIS COURT ORDERS AND DECLARES that the moveable hypothec charging the unearned insurance premiums will constitute a valid and binding obligation of the Applicant thereby creating a first-ranking security interest on such unearned insurance premiums, enforceable against it and any trustee in bankruptcy or successor in interest to the Applicant in accordance with the terms hereof, and that the charge so created does not and will not and every payment made or to be made pursuant to the Premium Finance Agreement is not and will not be deemed to constitute fraudulent preferences or other challengeable or reviewable transactions under applicable law.

5. THIS COURT ORDERS that, notwithstanding the stay of proceedings instituted by the initial order of the Honourable Court dated September 16, 2003 as amended and extended, or any other order of this Court to date, if the Applicant defaults under the terms of the June 2004 Premium Finance Term Sheet or the Premium

Finance Agreement, AIG Credit be and is hereby authorized in accordance with the terms of the Premium Finance Agreement, and without further order of this Court to:

(a) cancel the Policies of insurance referred to in the Premium Finance Agreement and any renewal or replacement policies; and

(b) apply for and receive all unearned insurance premiums, dividends and loss payments that reduce the unearned insurance premiums, referable to any such Policies ("Unearned Premiums").

6. THIS COURT ORDERS that in the event that a refund of Unearned Premiums occurs as a result of the cancellation or termination of any of all of the Policies for any reason, AIG Credit will have absolute first-ranking priority to such Unearned Premiums, notwithstanding any other order of this Court to date or any claim to Unearned Premiums by any creditor of the Applicant, until all amounts owing to AIG Credit pursuant to the Premium Finance Agreements have been paid to AIG Credit in full.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
JUL 14 2004

PER/PAR:

SCHEDULE "A"

Applicants Filing for CCAA

1. Ivaco Inc.

7. Ivaco Rolling Mills Inc.

8. Ifastgroupe Inc.

9. IFC (Fasteners) Inc.

10. Ifastgroupe Realty Inc.

11. Docap (1985) Corporation

12. Florida Sub One Holdings, Inc.

13. 3632610 Canada Inc.

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 Ivaco Inc. and the Applicants listed in Schedule "A"

Court File No. 03-CL-5145

Ontario
Superior Court of Justice

Proceeding Commenced at Toronto

ORDER

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