Court File No. 03-CL-5145

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

THE HONOURABLE	)	WEDNESDAY, THE 8TH DAY
	)	
MR. JUSTICE FARLEY	)	OF OCTOBER, 2003

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
(NBC Banking Arrangements)

THIS MOTION made by Ivaco Inc. ("Ivaco") and Docap (1985) Corporation ("Docap" and, collectively with Ivaco, the "Relevant Applicants") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Second Report of the Monitor dated as of October 7, 2003, filed, and on hearing the submissions of counsel to the Relevant Applicants, the Monitor and National Bank of Canada ("NBC") and others, and on being advised that the Service List was served with the Notice of Motion:

1. THIS COURT ORDERS that the time for service of the Notice of Motion herein be and it is hereby abridged and that the Motion is properly returnable today and further that service thereof upon any interested party other than persons served with the Notice of Motion is hereby dispensed with.

2. THIS COURT ORDERS that the entering into by the Relevant Applicants of agreements dated as of October 7, 2003 with National Bank of Canada ("NBC") substantially in the form attached to the Second Report of the Monitor (the "NBC Banking Arrangements"), and the exercise and performance by the parties of their respective rights and obligations thereunder, be and is hereby approved.

3. THIS COURT ORDERS that, when used herein, the terms "Administration Charge", "Agreement", "DIP Lender's Charges", "Directors' Charge", "Encumbrances" and "Property" have the same respective meanings as are given to them in the Order of this Court made in these proceedings dated the 16th day of September, 2003 (the "Initial Order").

4. THIS COURT ORDERS that all Property of Ivaco, wherever situate, is hereby charged by a fixed charge, mortgage, hypothec, security interest and lien (the "Ivaco Banker's Charge") in favour of NBC as security for all amounts at any time owing to NBC which are contemplated by the NBC Banking Arrangements to be secured by the Ivaco Banker's Charge.

5. THIS COURT ORDERS that all Property of Docap, wherever situate, is hereby charged by a fixed charge, mortgage, hypothec, security interest and lien (the "Docap Banker's Charge" and, collectively with the Ivaco Banker's Charge, the "Banker's Charges") in favour of NBC as security for all amounts at any time owing to NBC which are contemplated by the NBC Banking Arrangements to be secured by the Docap Banker's Charge.

6. THIS COURT ORDERS that the Banker's Charges shall not be rendered invalid or unenforceable and the rights and remedies of NBC shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein, (ii) any petitions for receiving orders issued or any receiving orders made pursuant to such petitions, (iii) the filing of any assignments for the general benefit of creditors, (iv) the provisions of any federal or provincial statutes or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing Agreement, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Banker's Charges nor the execution, delivery or performance of the NBC Banking Arrangements shall create or be deemed to constitute a breach by either of the Relevant Applicants of any Agreement to which it is a party;

(b) NBC shall have no liability whatsoever as a result of any breach of any Agreement caused by or resulting from the entering into and performance of the NBC Banking Arrangements or as a result of the creation of the Banker's Charges; and

(c) no payments made in accordance with the NBC Banking Arrangements do or will constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable or reviewable transactions under any applicable law.

7. THIS COURT ORDERS that each of the Relevant Applicants shall pay all amounts at any time owing by it to NBC, and perform all its other obligations to NBC,

under or as contemplated by the NBC Banking Arrangements as and when the same become due or are to be performed.

8. THIS COURT ORDERS that the Ivaco Banker's Charge shall attach to all present and future Property of Ivaco, including any lease, sublease, offer to lease or other contract, except that the Ivaco Banker's Charge shall not attach to the last day of the term of any lease or to any such lease, sublease, offer to lease, or other contract to the extent that such attachment would constitute a breach of its terms or permit a party to terminate such agreement. If the Ivaco Banker's Charge does not attach to the Property of Ivaco in accordance with this paragraph, Ivaco shall hold its interest in such lease, sublease, offer to lease or other contract or any proceeds therefrom in trust for NBC, and shall assign such interest to NBC upon obtaining the required consent or upon order of this Court.

9. THIS COURT ORDERS that the Docap Banker's Charge shall attach to all present and future Property of Docap, including any lease, sublease, offer to lease or other contract, except that the Docap Banker's Charge shall not attach to the last day of the term of any lease or to any such lease, sublease, offer to lease, or other contract to the extent that such attachment would constitute a breach of its terms or permit a party to terminate such agreement. If the Docap Banker's Charge does not attach to the Property of Docap in accordance with this paragraph, Docap shall hold its interest in such lease, sublease, offer to lease or other contract or any proceeds therefrom in trust for NBC, and shall assign such interest to NBC upon obtaining the required consent or upon order of this Court.

10. THIS COURT ORDERS that NBC shall not be required to file, register, record or perfect the Banker's Charges and that the Banker's Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Banker's Charges coming into existence, notwithstanding any failure to file, register, record or perfect the Banker's Charges.

11. THIS COURT ORDERS that paragraph 45 of the Initial Order is hereby amended and restated to read as follows:

> "45. THIS COURT ORDERS that in respect of the Property of each of the Applicants and Partnerships, the priorities of the DIP Lenders' Charges, the Banker's Charges, the Administration Charge and the Directors' Charge, as between them, shall be as follows:
>
> (a) First - the Banker's Charges, with respect only to the Property of the Relevant Applicants secured pursuant to each respective Banker's Charge, for all amounts secured thereby;
>
> (b) Second - the Administration Charge, to a maximum of $2,000,000;
>
> (c) Third – the Directors' Charge, to a maximum of $10,000,000;
>
> (d) Fourth – existing Encumbrances as referred to in paragraph 44(a) of this Order;
>
> (e) Fifth - the DIP Lenders' Charges, with respect only to the Property of the respective Applicant or Partnership secured pursuant to each respective DIP Lender's Charge, for the full amount of the indebtedness, liabilities and obligations of such Applicant or Partnership under the respective DIP Term Sheets, Definitive Documents and relevant terms of this Order;

(f) Sixth - the Administration Charge, for any amount greater than $2,000,000; and

(g) Seventh - the Directors' Charge, for any amount greater than $10,000,000.

The manner in which claims secured by the Administration Charge and the Directors' Charge are to be allocated amongst the Applicants and Partnerships and their respective Property shall be separately determined by this Court on a motion brought on notice to all affected parties. Further, nothing in clause (d) above alters or modifies existing priorities as between secured parties in connection with security existing as at the date of this Order. No steps, actions, motions or proceedings shall be taken by any of the Applicants or the Partnerships that would, in any way, affect the priorities of the Banker's Charges or the DIP Lenders' Charges without the prior written consent of NBC or the (GE) DIP Lender, respectively."

12. THIS COURT ORDERS that, except as otherwise expressly provided for herein or by further order of this Court, neither of the Relevant Applicants shall (i) grant or (ii) apply for or consent to any order creating or authorizing any Encumbrances over any Property that would rank in priority to, or *pari passu* with, any of the Banker's Charges, unless the Relevant Applicants obtain the prior written consent of NBC.

13. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

(a) NBC may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Banker's Charges; and

(b) the rights and remedies of NBC under or contemplated by this Order shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Relevant Applicants or either of them.

14. THIS COURT ORDERS that no order shall be made varying, rescinding or otherwise affecting this Order unless either notice of a motion for such order is served on NBC (if it is not the moving party), the Relevant Applicants and any other persons on the Service List who might be affected by the order sought by the moving party within ten days after the moving party was served with this Order or within such other period as this Court may by further order allow.

15. THIS COURT ORDERS that, in the event of any default in payment when due of a sum secured by either of the Banker's Charges, NBC may apply to the Court (on notice to the Service List) for the right to enforce the same.

16. THIS COURT ORDERS that, with respect to all amounts at any time owing to NBC that are secured by the Banker's Charges, NBC shall be treated as an unaffected creditor in these proceedings and in any plan or plans of compromise, arrangement or reorganization filed pursuant thereto.

17. THIS COURT ORDERS that this Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all persons against whom it may otherwise be enforceable.

18. THIS COURT ORDERS AND REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the *Companies' Creditors Arrangement Act*) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial,

regulatory or administrative body of the United States of America and the states or other subdivisions of the United States of America and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

Registrar

ENTERED AT / INSCRIT À TORONTO
ON/BOOK NO:
LE/DANS LE REGISTRE NO:
OCT 0 9 2003
PER/PAR: NB

SCHEDULE "A"

Applicants Filing for CCAA

1. Ivaco Inc.
2. Ivaco Rolling Mills Inc.
3. Ifastgroupe Inc.
4. IFC (Fasteners) Inc.
5. Ifastgroupe Realty Inc.
6. Docap (1985) Corporation
7. Florida Sub One Holdings, Inc.
8. 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.

Ontario
Superior Court of Justice
Commercial List

Proceeding Commenced at Toronto

ORDER

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