

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**THE HONOURABLE** ) **WEDNESDAY THE 21<sup>ST</sup>**  
 )  
**JUSTICE GROUND** ) **DAY OF FEBRUARY, 2007**



**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED**

- and -

**AND IN THE MATTER OF A PROPOSED PLAN  
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
HAMILTON SPECIALTY BAR CORPORATION**

**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C. C-36, AS AMENDED**

Applicant

**ORDER**

THIS MOTION by A. Farber & Partners Inc. in its capacity as Monitor of the Applicant for an Order, *inter alia*, increasing the maximum amount available under the DIP Loans and amending the Order of the Honourable Justice Lax dated February 1, 2007, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report to Court of the Monitor dated February 19, 2007 (the "Second Report"), and on consent of the Applicant, CIT Business Credit Canada Inc. (the "DIP Lender"), Delaware Street Capital Master Fund L.P. and DSC Finance S.a.r.l.

1. THIS COURT ORDERS that all capitalized terms used but not defined herein shall have the meaning given to them in the Initial Order of The Honourable Justice Spence dated January 5, 2007 herein (the "Initial Order").

1. (a) THIS COURT ORDERS that service by facsimile, courier and/or email of the Monitor's letter dated February 20, 2006 shall be deemed good and sufficient notice of this motion and any further notice is hereby dispensed with.

2. THIS COURT ORDERS that the maximum principal amount of DIP Loans that may be outstanding at any time pursuant to paragraph 32 of the Initial Order be and is hereby increased to \$4,129,000 and that the within increase shall have retroactive effect from and after February 12, 2007.

3. THIS COURT ORDERS that the maximum principal amount of DIP Loans that may be outstanding at any time pursuant to paragraph 32 of the Initial Order may be increased from time to time by agreement of the Applicant, the DIP Lender and DSC and approval of the Monitor.

4. THIS COURT ORDERS that all advances made by the DIP Lender to the Applicant that resulted in the DIP Loans exceeding \$3,000,000, details of which are contained in the Second Report, be and are hereby approved, *nunc pro tunc*, and such

advances shall form part of the DIP Loans and have the benefit of the DIP Lender's Charge. All other terms and provisions of the DIP Facilities continue to apply.

5. THIS COURT ORDERS that the Order of The Honourable Justice Lax dated February 1, 2007 herein be and is hereby amended, as follows:

- (a) by adding the words "and DSC Finance S.a.r.l. ("DSC")" immediately after the words "and upon hearing counsel for the Applicant, Delaware Street Capital Master Fund L.P." in the second paragraph thereof; and
- (b) paragraph 7 is amended to provide as follows:

"7. THIS COURT ORDERS that in the event that (a) the APA has not been fully executed by the parties during the Exclusivity Period, or another agreement of purchase and sale arising from the negotiations permitted in paragraph 6 (b), and acceptable to the DIP Lender and DSC on or before February 22, 2007; and (b) the Selected Bidder or other potential purchaser has not entered into a tentative agreement with the Union with unanimous consent of the local executive committee (the "Threshold Conditions"), on or before February 22, 2007, the Monitor be and is hereby authorized and directed to commence liquidation proceedings in respect of some or all of the Property, which process shall be subject to the approval of this Court, but without prejudice to the DIP Lender's enforcement rights pursuant to paragraph 36 of the Initial Order."



**Joseph Doria**  
Registrar, Superior Court of Justice

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

**FEB 22 2007**

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**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO HAMILTON SPECIALTY BAR CORPORATION**

Court File No. 07-CL-6826

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
Proceedings commenced at TORONTO**

**ORDER**

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