

Appendix "A"

07-CL-6926
Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR) THURSDAY, THE 5TH
)
JUSTICE CAMPBELL) DAY OF APRIL, 2007

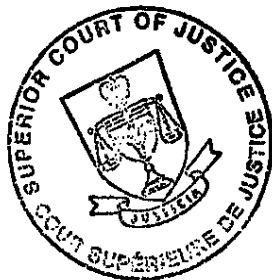
**LASALLE BUSINESS CREDIT, A DIVISION OF
ABN AMRO BANK N.V. CANADA BRANCH**

Applicant

- and -

GENFAST MANUFACTURING COMPANY

Respondent



ORDER

THIS APPLICATION, made by the Applicant for an Order pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "CJA") appointing KPMG Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of Genfast Manufacturing Company (the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING that affidavit of David Carson sworn April 4, 2007 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, the Debtor, Alvarez & Marsal Canada ULC, in its capacity as the Monitor of the Debtor (the "Monitor") and any other party appearing, and on reading the consent of KPMG Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to Section 101 of the CJA, KPMG Inc. is appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property") effective as of the time described herein.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, but shall not and shall have no power to carry on or operate all or any part of the business of the Debtor, subject to further Order of this Court;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (h) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$500,000.00, provided that the aggregate consideration for all such transactions does not exceed \$2,000,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

- (j) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (o) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (p) to take any steps reasonably incidental to the exercise of these powers,

and in each such case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, including but not limited to General Fasteners Company (“General Fasteners”) and MNP Corporation (“MNP”), governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons, including but not limited to General Fasteners and MNP, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and

information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, lease, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized

banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court provided, however, that nothing in this paragraph or in any other provision of this Order or the Initial Order of the Honourable Mr. Justice Campbell dated March 8, 2007 made in the *Companies' Creditors Arrangement Act* proceedings of the Debtor shall stay, suspend or in any way prohibit Seminole Canada Gas Company ("Seminole") from terminating the GasEDI Base Contract for Short-Term Sale and Purchase of Natural Gas between Seminole and Genfast dated October 26, 2000 (as amended) and/or the supply of natural gas to Genfast thereunder.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT CONFIRMS** that the employment of each employee of the Debtor has been terminated as at 3:00 p.m. (Toronto time) on April 5, 2007 as a result of the bankruptcy of the Debtor pursuant to a bankruptcy order of the Ontario Superior Court of Justice in Bankruptcy and Insolvency made April 5, 2007. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction. Furthermore, pursuant to sub-section 14.06(1.2) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), the Receiver shall not be liable for any amount that is or could be due any employee or independent contractor or consultant of the Debtor including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the Receiver's appointment.

14. **THIS COURT ORDERS** that, pursuant to clause (7)(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

15. **THIS COURT ORDERS** that the Receiver shall, as soon as reasonably possible: (a) mail to each employee of the Debtor who is employed by the Debtor immediately prior to the making of this Order, a copy of this Order; and (b) post a copy of this Order at the premises of

the Debtor; and these actions by the Receiver are hereby deemed to be adequate and sufficient notice of the terms of this Order to each employee of the Debtor.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S CHARGE

18. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts, and all of the foregoing shall form a charge on the Property as security for their fees, expenditures and liabilities, both before and after the making of this Order in respect of these proceedings (the "Receiver's Charge"). The Receiver's Charge shall have the priority set out in paragraph 23 herein.

19. **THIS COURT ORDERS** that the filing, registration or perfection of the Receiver's Charge shall not be required, and that the Receiver's Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected prior to or subsequent to the Receiver's Charge coming into existence, notwithstanding any failure by the Receiver to file, register, record or perfect the Receiver's Charge.

RECEIVER'S ACCOUNTS

20. **THIS COURT ORDERS** the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

VALIDITY AND PRIORITY OF CHARGES

22. **THIS COURT ORDERS** that, subject to paragraphs 25 and 26 of this Order, the Directors' Charge, the Administration Charge and the DIP Charge (all as defined in the CCAA Order) (collectively, the "Charges" and each a "Charge") shall continue to attach to the Property and shall rank in the priority relative to all other security interests, liens, charges and encumbrances affecting the Property, as set out in paragraph 23 of this Order.

23. **THIS COURT ORDERS** that the priorities among the Directors' Charge, the Administration Charge, the DIP Charge (each as defined in the Order of the Honourable Mr. Justice Campbell dated March 8, 2007)(the "CCAA Order"), the Receiver's Charge and the Receiver's Borrowings Charge (each as defined below) (collectively, the "Charges" and each a "Charge"), shall be as follows:

First – Administration Charge;

Second – DIP Charge;

Third – Directors' Charge;

Fourth – Receiver's Charge; and

Fifth - Receiver's Borrowings Charge.

24. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise in favour of any Person.

FUNDING OF THE RECEIVERSHIP

25. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may be further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the other Charges as set out in paragraph 23 of this Order.

26. **THIS COURT ORDERS** that the filing, registration or perfection of the Receiver's Borrowings Charge shall not be required, and that the Receiver's Borrowings Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected prior to and subsequent to the Receiver's Borrowings Charge coming into existence, notwithstanding any failure of any Person to file, register, record or perfect the Receiver's Borrowing Charge.

27. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

28. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

29. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

EFFECTIVE TIME

30. **THIS COURT ORDERS** that this Order is effective immediately after (i) a Bankruptcy Order is made by the Ontario Superior Court of Justice in Bankruptcy and Insolvency in respect of the Debtor and becomes effective, and (ii) the termination of the CCAA proceedings of the Debtor and the CCAA Order pursuant to the Order of this Court made on this same date in connection with the termination of the Debtor's proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA Termination Order"), and without any intervening period between such Orders.

GENERAL

31. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

33. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

34. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever locate, for the recognition of this Order and for assistance in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

36. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend any of the provisions of this Order on not less than seven (7) days' notice to the Receiver, the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order. The Receiver shall be entitled to waive, in writing, the notice provision contained in this paragraph as it relates to service upon the Receiver.

37. **THIS COURT ORDERS** that the Applicant and the Receiver may serve any Court materials (including, without limitation, motion records, application records, facta and orders) in this proceedings on all represented parties by prepaid mail, courier, personal delivery, telecopier or electronic transmission (including, but not limited to, emailing a PDF copy of the materials) to any interested party at their addresses as last shown on the records of the Debtor and to counsels' email addresses as recorded on the service list and that any such service or notice shall be deemed to be received the day of forwarding or if sent by ordinary mail, on the second business day following the mailing.

38. **THIS COURT ORDERS** that the Applicant and the Receiver are not required to serve any court materials in these proceedings on any party, other than the Debtor and the Monitor, who has not filed a Notice of Appearance.

39. **THIS COURT ORDERS** that nothing in this Order or the granting of powers or authorities to the Receiver herein shall be relied upon by the Debtor's employees on any application to obtain relief against the Receiver from any court or tribunal of competent jurisdiction.

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

APR 05 2007

PER/PAR:



SCHEDULE "A"
RECEIVER'S CERTIFICATE
CERTIFICATE NO.
AMOUNT \$

1. THIS IS TO CERTIFY that KPMG Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of Genfast Manufacturing Company appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 5th day of April, 2007 (the "Order") made in an action having Court File Number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$●, being part of the total principal sum of \$500,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ● day of each month] after the date hereof at a notional rate per annum equal to the rate of ● per cent above the prime commercial lending rate of Bank of ● from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ● day of ●, 2007.

KPMG Inc., solely in its capacity as Receiver of
the Property (as defined in the Order),
and not in its personal or corporate capacity

Per: _____

Name:

Title:

**LASALLE BUSINESS CREDIT, A DIVISION OF
ABN AMRO BANK N.V. CANADA BRANCH**
Applicant

and

GENFAST MANUFACTURING COMPANY
Respondent

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced in Toronto

ORDER

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Solicitors for LaSalle Business Credit, a
division of ABN AMRO Bank N.V. Canada
Branch

Appendix "B"

INVITATION FOR PROPOSALS

TO PURCHASE CERTAIN RAW MATERIALS OF GENFAST MANUFACTURING COMPANY

Please be advised that on April 5, 2007 KPMG Inc. was appointed Receiver (the "Receiver") over the assets, undertakings and property of Genfast Manufacturing Company ("Genfast" or the "Company") pursuant to an order issued by the Ontario Superior Court of Justice [Commercial List] (the "Order"). Attached is a copy of the Order for your review.

Pursuant to the terms of the Order, the Receiver of Genfast, hereby invites your company to submit a written offer for the purchase of the Receiver's right, title and interest, if any, in the raw material inventory of Genfast on an en bloc basis, or otherwise. The raw materials are located at Mittal in Hamilton, Sivaco in Ingersoll, and Genfast in Brantford. All sales will be completed on an "as is, where is" basis, FOB from the storage location. A listing of the available raw material and its location is attached hereto as "**Schedule A**" for your review.

All proposals must be received in writing by the Receiver c/o KPMG Inc. at Suite 510, 21 King Street West, Hamilton, Ontario, L8N 3R1, fax (905) 523-2200 or email jathanasiou@kpmg.ca, no later than 12:00 noon Hamilton time on Friday May 4, 2007.

The highest or any proposal will not necessarily be accepted. En bloc proposals for the purchase of all of the raw material will be given special consideration. Nothing contained in this Request for Proposals precludes the Receiver from entering into an agreement to sell any or all of the raw material prior to May 4, 2007.

Upon acceptance of an offer, the Receiver will notify the successful bidder in writing. The successful bidder must provide an immediate non-refundable deposit to the Receiver in the amount of ten (10%) of the purchase price by certified cheque or wire transfer. The purchase will be completed in accordance with the provisions of the Order.

To arrange for an inspection of the raw materials, please contact Mr. John Athanasiou of KPMG Inc. at Genfast (519) 754-4400 ext. 6036, Office (905) 523-2236 or email jathanasiou@kpmg.ca.

KPMG INC.
COURT APPOINTED RECEIVER OF
GENFAST MANUFACTURING COMPANY