

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

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

Applicant

- and -

GENFAST MANUFACTURING COMPANY

Respondent

**SEVENTH REPORT TO THE COURT OF KPMG INC.
IN ITS CAPACITY AS RECEIVER OF
GENFAST MANUFACTURING COMPANY**

November 4, 2007

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Listing of Schedules

- Schedule "A" - Sixth Report (without appendices or schedules)
- Schedule "B" - GM Agreement

1.1 Purpose of this Report

1.1.1 The purpose of this Seventh Report is to supplement the Receiver's Sixth Report dated November 2, 2007 (the "**Sixth Report**"), which dealt with certain matters discussed in the Receiver's Fifth Report dated October 29, 2007 (the "**Fifth Report**") that were not yet finalized as at the date of the Fifth Report, and to provide an update to the Court on the status of negotiations with GM (as defined below) with respect to the GM Settlement Agreement (as defined below). A copy of the Sixth Report (without appendices and schedules) is attached as **Schedule "A"**.

1.1.2 All initially capitalized terms not otherwise defined herein shall have the meanings given to them in the Fifth Report and the Sixth Report.

1.1.3 This Seventh Report is in support of the Receiver's request for an Order on its motion returnable November 5, 2007, among other things:

- (i) approving this Seventh Report and the activities of the Receiver described herein;
- (ii) approving the GM Agreement (as defined below), subject to the receipt by the Receiver of an executed copy of the GM Agreement from GM prior to 2:00 p.m. Eastern Standard Time on Tuesday, November 6, 2007 and authorizing the Receiver to enter into and complete the GM Agreement, including the vesting of all right, title and interest in and to the GM Steel Coil Inventory (as defined below) in and to GM upon the filing of a Receiver's Certificate with the Court by the Receiver; and
- (iii) authorizing the Receiver to, if GM has not executed the GM Agreement by 2:00 p.m. Eastern Standard Time on Tuesday, November 6, 2007, or if the sale of any portion of the GM Steel Coil Inventory to GM pursuant to the GM Agreement is not completed for any reason, sell such GM Steel Coil Inventory and any of the Rejected GM Steel Coil Inventory (as defined below) for its scrap value.

2.1.1 The Receiver and GM have reached an agreement in respect of the purchase by GM of the “GM Steel Coil Inventory” on an “as is, where is” basis at Genfast’s cost of \$1,026,679, less agreed adjustments (the “**GM Agreement**”), a copy of which is attached as **Schedule “B”**, as discussed below. As the terms of the GM Agreement were finalized on Sunday, November 4, 2007, the Receiver does not at the time of this Report have an executed GM Agreement from GM. Accordingly, the Receiver requests that the Court approve the GM Agreement and authorize the Receiver to enter into and complete the GM Agreement, subject to the receipt by the Receiver of an executed GM Agreement from GM prior to 2:00 p.m Eastern Standard Time on Tuesday, November 6, 2007.

2.1.2 Pursuant to the GM Agreement:

- i) the purchase price will be adjusted on closing for: (a) an amount to be determined, if any, of the GM Steel Coil Inventory which is rejected by GM after inspection on the basis that such GM Steel Coil Inventory is not “useable” or “merchantable” as such terms were defined in the GM Accommodation Agreement (the “**Rejected GM Steel Coil Inventory**”), (b) shipping costs incurred by GM to remove the GM Steel Coil Inventory equal to \$50,000, less any pro rata deduction based on the value of Rejected GM Steel Coil Inventory; and (c) \$80,000 for the reprocessing of certain of the GM Steel Coil Inventory to remove certain coating, less any pro rata reduction based on the value of Rejected GM Steel Coil Inventory that is also Recoated Inventory (as defined in the GM Agreement) in the event that GM purchases less than 80% of the Recoated Inventory.
- ii) GM is required to provide a certificate to the Receiver setting out each piece of GM Steel Coil Inventory it purports to reject, along with the reasons for rejection and the unit price. The Receiver, acting reasonably, will review such Certificate and if it agrees with the rejection, will sign it and the value of all the Rejected GM Steel Coil Inventory will be credited against the purchase price. If the Receiver does not agree, it retains the right to terminate the GM Agreement or the Receiver can proceed with the transaction, the Rejected GM Steel Coil Inventory will not form part of the GM Steel Coil Inventory and the Receiver reserves its rights to claim against GM for its failure to purchase the Rejected GM Steel Coil Inventory pursuant to the Accommodation Agreement. If the GM Agreement is terminated by the Receiver, such termination is without prejudice to the Receiver’s rights to claim against GM for breach of contract or otherwise in respect of

the GM Accommodation Agreement or otherwise for failure to purchase the GM Steel Coil Inventory.

- iii) Closing will take place three (3) days after Court approval.
 - iv) The Receiver and GM will enter into a mutual release pursuant to which the Receiver will release GM as it relates to its obligations to purchase raw material inventory under the GM Accommodation Agreement. The mutual release will exclude claims in respect of (1) the unpurchased WIP and finished goods inventory GM has undertaken to purchase or is obligation to purchase pursuant to the Accommodation Agreement; (2) the outstanding receivables owed by and in respect of which GM has asserted set-off (as described in the Fifth Report); and (3) any Rejected GM Steel Coil Inventory. The GM Agreement and the Mutual Release will expressly be without prejudice to GM's right, if any, to assert that the amounts paid by it under the GM Agreement constitute damages for which it is entitled to set off against outstanding receivables.
- 2.1.3 The Receiver believes that the GM Agreement represents a reasonable settlement of the issues in dispute between GM and the Receiver in respect of GM's obligations to purchase the GM Steel Coil Inventory under the GM Accommodation Agreement and accordingly, the Receiver requests that this Court authorize the Receiver to enter into and complete the GM Agreement.
- 2.1.4 If GM has not executed the GM Agreement by 2:00 p.m Eastern Standard Time on Tuesday, November 6, 2007, or, as requested in the Fifth Report, if for any reason the sale of all or any portion of the GM Steel Coil Inventory is not completed, the Receiver requests that this Court authorize the Receiver to sell all or such portion of the GM Steel Coil Inventory, including any Rejected GM Steel Inventory, for its scrap value.

3.1.1 For the reasons set out in the Fifth Report, the Sixth Report, and this Seventh Report, the Receiver respectfully requests that this Honourable Court grant an Order, among other things,

- approving this Seventh Report and the activities of the Receiver described herein;
- approving the GM Agreement, subject to the receipt by the Receiver of an executed copy of the GM Agreement from GM by 2:00 p.m Eastern Standard Time on Tuesday, November 6, 2007, and authorizing the Receiver to enter into and complete the GM Agreement, including the vesting of all right, title and interest in the GM Steel Coil Inventory in and to GM upon the filing of a Receiver's Certificate with the Court by the Receiver; and
- authorizing the Receiver to, if GM has not executed the GM Agreement prior to 2:00 p.m Eastern Standard Time on Tuesday, November 6, 2007, or if the sale of any portion of the GM Steel Coil Inventory to GM pursuant to the GM Agreement is not completed for any reason, sell such GM Steel Coil Inventory and any of the Rejected GM Steel Coil Inventory for its scrap value.

All of which is respectfully submitted this 4th day of November, 2007.

KPMG Inc.,
solely in its capacity as Court-Appointed Receiver
of the assets, properties and undertakings of
Genfast Manufacturing Company and not in its
personal or corporate capacity

Per: Nicholas Brearton
Senior Vice-President

INVENTORY PURCHASE AGREEMENT

THIS AGREEMENT made the day of November, 2007.

B E T W E E N:

KPMG INC, solely in its capacity as court-appointed receiver of the undertakings, properties and assets of Genfast Manufacturing Company, and not in its personal or corporate capacity

OF THE FIRST PART

- and -

GENERAL MOTORS OF CANADA LIMITED

OF THE SECOND PART

WHEREAS:

- (a) the Receiver was appointed receiver of the undertakings, properties and assets of the Corporation pursuant to the Receivership Order;
- (b) the Corporation had, prior to the appointment of the Receiver, carried on the business of manufacturing bolts, screws, rivets and other types of fasteners primarily for the automotive industry;
- (c) the Purchaser is a customer of the Corporation;
- (d) the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, all of the Corporation's right, title and interest, if any, in and to the Inventory.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, the parties hereto agree as follows:

**ARTICLE 1
DEFINITIONS**

Section 1.01 Definitions. In this Agreement:

- (a) "**Accommodation Agreement**" has the meaning given to it in section 3.02 of this Agreement.

- (b) **“Approval Order”** means an order of the Court approving this Agreement and authorizing and directing the Receiver to enter into this Agreement, *nunc pro tunc*;
- (c) **“Brantford Premises”** means the premises located at 225 Henry Street, Unit #5, Brantford, Ontario;
- (d) **“Business Day”** means any day that is not a Saturday, Sunday or a statutory holiday in the Province of Ontario;
- (e) **“Closing Date”** or **“Closing”** has the meaning ascribed to it in Section 8.01 hereof;
- (f) **“Corporation”** means Genfast Manufacturing Company;
- (g) **“Court”** means the Ontario Superior Court of Justice;
- (h) **“GM”** means General Motors of Canada Limited;
- (i) **“Hamilton Premises”** means the premises located at Mittal Canada, Hamilton, Inc., 690 Strathearne Avenue, Hamilton, Ontario L8H 7N8;
- (j) **“Ingersol Premises”** means the premises located at Sivaco Ontario Division Ivaco Inc., 330 Thomas Street, Ingersoll, Ontario N5C 3K5;
- (k) **“Inspection Period”** means the period commencing on the date hereof and ending immediately prior to the Time of Closing;
- (l) **“Inventory”** means the raw material inventory owned by the Corporation described in Schedule “A” attached hereto. For greater certainty, the “Inventory” includes the Recoated Inventory;
- (m) **“Merchantable”** has the meaning given to it in the Accommodation Agreement;
- (n) **“Orders”** means collectively, the Approval Order and the Vesting Order;
- (o) **“Purchase Price”** has the meaning ascribed to it in Section 2.02 hereof;
- (p) **“Purchaser”** means General Motors of Canada Limited;
- (q) **“Premises”** means collectively, the Brantford Premises, the Hamilton Premises and the Ingersol Premises;
- (r) **“Purchaser’s Solicitors”** means Chaitons LLP;
- (s) **“Receiver”** means KPMG Inc. in its capacity as court-appointed receiver of the undertakings, properties and assets of the Corporation, and not in its personal or corporate capacity;

- (t) **“Receivership Order”** means the Order of Justice Campbell of the Court dated April 5, 2007, appointing KPMG Inc. as receiver of the undertakings, properties and assets of the Corporation;
- (u) **“Recoated Inventory”** means the raw material inventory described in Schedule “B” attached hereto;
- (v) **“Recoating Costs”** means the sum of Eighty Thousand (\$80,000) Canadian Dollars or such lesser amount calculated in accordance with section 3.03 of this Agreement;
- (w) **“Rejection Certificate”** has the meaning ascribed to it in Section 3.02 hereto;
- (x) **“Rejected Inventory”** has the meaning ascribed to it in Section 3.02 hereto;
- (y) **“Rejected Inventory Value”** means 100% of the Corporation’s actual cost for the Rejected Inventory;
- (z) **“Removal”** means the removal of the Inventory from the Premises;
- (aa) **“Removal Discount”** means a sum of Fifty Thousand (\$50,000) Canadian Dollars or such lesser amount calculated in accordance with section 3.03 of this Agreement;
- (bb) **“Time of Closing”** has the meaning ascribed to it in Section 8.01 hereof;
- (cc) **“Useable”** has the meaning given to it in the Accommodation Agreement.
- (dd) **“Vendor”** means KPMG Inc. in its capacity as court-appointed receiver of the undertakings, properties and assets of the Corporation, and not in its personal or corporate capacity;
- (ee) **“Vendor’s Solicitors”** means Blake, Cassels & Graydon LLP;
- (ff) **“Vesting Order”** means an order of the Court vesting all right, title and interest, if any, of the Receiver and the Corporation in and to the Inventory in the Purchaser on Closing, free and clear of any and all encumbrances;

Section 1.02 Schedules. The following are the Schedules attached to this Agreement:

Schedule “A”:	Description of Inventory
Schedule “B”:	Description of Recoated Inventory
Schedule “C”:	Mutual Release
Schedule “D”:	Receiver’s Certificate

Section 1.03 Interpretation. In and for the purpose of this Agreement, except as otherwise expressly provided:

- (a) “this Agreement” means this agreement as may from time to time be supplemented or amended and in effect, and includes the Schedules;

- (b) all references in this Agreement to designated Articles, Sections, Subsections, paragraphs, clauses or Schedules are to the designated Articles, Sections, Subsections, paragraphs, clauses or Schedules of or attached to this Agreement;
- (c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, subsection, paragraph or clause;
- (d) the headings are for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof; and
- (e) the singular of any term includes the plural, and vice versa, the use of any term is generally applicable to any gender and where applicable, a body corporate, the word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto).

Section 1.04 Governing Law. This Agreement will be interpreted and the rights and remedies of the parties hereto determined in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

ARTICLE 2 PURCHASE AND SALE OF ASSETS

Section 2.01 Purchase of Inventory. The Purchaser agrees to purchase from the Vendor, and the Vendor agrees to sell to the Purchaser, subject to the terms and conditions hereof, all of the Corporation's right, title and interest, if any, in and to the Inventory.

Section 2.02 Purchase Price. The purchase price payable to the Vendor for the Inventory shall be the sum of One Million Twenty Six Thousand Six Hundred Seventy Nine (\$1,026,679) Dollars in lawful money of Canada, subject to adjustment in accordance with section 2.03 of this Agreement. In addition to the Purchase Price, the Purchaser shall be liable for and shall pay any and all federal, provincial, state and/or other sales, goods and services, and other taxes whatsoever which are payable in connection with the purchase and conveyance of the Purchased Assets, together with all customs duties, registration fees or other charges properly payable or exigible upon or in connection therewith (collectively, the "Transfer Taxes"). The Purchaser agrees to indemnify and hold the Receiver harmless in respect of any Transfer Taxes, penalties, and interest which may be assessed against the Receiver in respect of the sale to the Purchaser of the Purchased Assets.

Section 2.03 Adjustment. Prior to Closing, the Removal Discount, the Recoating Costs and the Rejected Inventory Value shall be credited to the Purchaser against the Purchase Price.

Section 2.04 Payment of Purchase Price. On Closing, the Purchaser shall satisfy the Purchase Price by payment to the Vendor or as the Vendor may direct by certified cheque or bank draft drawn on or issued by a Canadian chartered bank payable to "KPMG Inc.," delivered to the Vendor's Solicitors.

Section 2.05 As is, Where is. The Purchaser acknowledges that it is relying entirely upon its own judgment, investigation and inspection in proceeding with the transactions contemplated hereunder. Without limiting the foregoing, the Purchaser acknowledges and agrees that it is purchasing the Inventory on an “as is, where is” basis, that it accepts such Inventory in the state, condition and location as inspected by the Purchaser, and that the Receiver has made no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, with respect to the title, merchantability, condition, description, fitness for purpose, quality, quantity or any other thing, affecting any of the Inventory, or in respect of any other matter or thing whatsoever except as expressly stated herein, including, without limitation, any and all conditions, warranties or representations expressed or implied pursuant to the Sale of Goods Act (Ontario) or similar legislation in Ontario or in any other jurisdiction which do not apply hereto and are hereby waived by the Purchaser. For greater certainty, the Purchaser acknowledges and confirms that it is solely responsible for verifying that the Inventory is located at the Premises, and that the description of the Inventory herein (including, without limitation, in the Schedules hereto and any quantities and locations which may be described therein) is for the purpose of identification only. No representation, warranty or condition has or will be given by the Receiver concerning completeness or the accuracy of such descriptions including the existence of any asset or property right described therein. The Inventory is being purchased on an “as is, where is” basis as they exist at the date of this Agreement and no adjustment will be allowed to the Purchaser for any change in condition, value, quantity or quality of any of the Inventory except as expressly contemplated by this Agreement. The Purchaser further acknowledges that all written and oral information obtained from the Receiver or its employees, agents, consultants, advisors or solicitors with respect to the Inventory or otherwise relating to the transactions contemplated in this Agreement has been obtained for the convenience of the Purchaser only, and that neither the Corporation nor the Receiver have made any representation or warranty, expressed or implied, statutory or otherwise, as to the accuracy and completeness of any such information. Neither the Receiver nor the Corporation shall have any liability for any representations, expressed or implied, contained in, or omitted from, any written or oral communications transmitted to the Purchaser in the course of any of its investigations of the Inventory.

Section 2.06 No Set-Off. The payment of the Purchase Price by the Purchaser to the Vendor hereunder shall be made by the Purchaser free and clear of, and without deduction for, any Transfer Taxes, and without regard to any equities between the Vendor, the Corporation and the Purchaser, and without regard to any defence, right of set-off, counterclaim or cross-claim which the Purchaser may have against the Vendor or the Corporation, except that nothing in this section or in this Agreement shall prejudice the right, if any, of the Purchaser to assert that the payment of the Purchase Price or a portion thereof constitutes damages suffered by the Purchaser as a result of, *inter alia*, the insolvency of the Corporation and assert set-off of such damages, if any, or any other damages, if any, suffered by the Purchaser against amounts owing by the Purchaser to the Corporation other than the Purchase Price or the Transfer Taxes.

ARTICLE 3 INSPECTION

Section 3.01 Inspection. The Purchaser shall have until Closing to complete its inspection of the Inventory at any of the Premises on Business Days during regular business hours between 9:00a.m. and 5:00p.m. Toronto time (“**Business Hours**”).

Section 3.02 Rejected Inventory. During the inspection and prior to Closing, the Purchaser and its agent(s) and/or employee(s), acting reasonably, shall have the right to identify Inventory that is not Merchantable and/or not Useable, and shall have the right to reject such Inventory, subject to concurrence by the Vendor (the “**Rejected Inventory**”). For greater certainty, Inventory which is lost or otherwise missing shall constitute Rejected Inventory. For each item of Inventory which it seeks to reject, the Purchaser shall provide a written statement to the Vendor executed by the Purchaser setting out a description of such item, the portion of the Purchase Price allocated to such item, and the reason(s) for rejection (the “**Rejection Certificate**”). The Vendor, acting reasonably, shall review the Rejection Certificate and inspect the Inventory listed thereon and, provided it concurs that the Inventory listed on the Rejection Certificate is Rejected Inventory, shall execute the Rejection Certificate, which shall be conclusive proof of the Vendor’s acceptance of the Rejected Inventory. Where the Vendor does not so concur, it shall have the option, in its sole discretion, to (i) terminate this Agreement without any liability whatsoever to the Purchaser, subject to the Vendor’s duty to mitigate its damages, and without further obligation to complete the transactions contemplated hereunder; or (ii) complete the transactions contemplated hereunder, treating the Inventory which the Purchaser seeks to reject that the Vendor disputes as Rejected Inventory for the purposes of this Agreement without prejudice to the Vendor’s claims against the Purchaser for breach of its obligations to purchase such disputed Inventory arising from, pursuant to, or in respect of this Agreement and/or the email agreement sent on March 24, 2007 by Donald F. Baty to T. Sylwestrzak (the “**Accommodation Agreement**”) or otherwise, and making note on the Receiver’s Certificate of such disputed Inventory.

Section 3.03 Rejected Inventory Closing Adjustments. On Closing, the Inventory shall be deemed to exclude the Rejected Inventory and the Rejected Inventory Value as set out in the Rejection Certificate will be credited against the Purchase Price in accordance with section 2.03 hereof. With regard to the Removal Discount payable by the Vendor to the Purchaser, there shall be a pro rata reduction of the Removal Discount equal to the percentage obtained by dividing the Rejected Inventory Value by the value of the Inventory listed in Schedule “A” to this Agreement. With regard to the Recoating Costs, where the Rejected Inventory includes an amount of Recoated Inventory which is more than 20% of the total Recoated Inventory, the Recoating Costs payable by the Vendor to the Purchaser shall be reduced pro rata by an amount equal to the percentage obtained by dividing the Rejected Inventory Value attributable to Recoated Inventory by the total Recoated Inventory value.

ARTICLE 4 REMOVAL

Section 4.01 Removal. The Removal shall be at the Purchaser’s cost and expense, except that the Vendor shall be responsible for the cost of loading the Inventory on carriers selected by the Purchaser. The Removal shall commence immediately following the Time of Closing and shall continue after the Closing Date during Business Hours until all Inventory is removed, which in any event shall be no later than three (3) Business Days following Closing. The Purchaser and its agent(s) and/or employee(s) may be present during the Removal. For greater certainty, the Purchaser shall not be responsible for costs and expenses incurred by the Vendor in connection with the Removal of the Inventory.

Section 4.02 Risk of Loss. The Inventory shall remain at the risk of the Vendor to the extent of its interest, until its Removal. Pending Removal, the Vendor shall hold all insurance policies and proceeds thereof in trust for itself, the Purchaser and all other parties as their respective interests may appear.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.01 Vendor's Representations and Warranties. The Vendor represents and warrants to the Purchaser as follows:

- (a) Pursuant to the Orders, the Vendor has the authority to enter into this Agreement and to carry out the transactions contemplated herein;
- (b) the Vendor has done no act to encumber the Inventory; and
- (c) the Vendor is not a "non-resident" for the purposes of the *Income Tax Act* (Canada).

Section 5.02 Survival of Representations and Warranties. The representations and warranties contained in Section 5.01 hereof shall survive and shall not merge on the Closing.

Section 5.03 Purchaser's Representations and Warranties. The Purchaser hereby represents and warrants to the Vendor that it is and will be as of Closing:

- (a) a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified to purchase and own the Inventory and the Purchaser has full power, authority and capacity to enter into this Agreement and carry out the transaction contemplated herein; and
- (b) the Purchaser is not a "non-resident" for the purposes of the *Income Tax Act* (Canada).

Section 5.04 Survival of Representations and Warranties. The representations and warranties contained in Section 5.03 hereof shall survive and shall not merge on the Closing.

ARTICLE 6 RELEASE

Section 6.01 Mutual Release. Concurrent with Closing, the parties shall execute and deliver a mutual release substantially in the form attached hereto as Schedule "C" (the "**Mutual Release**").

**ARTICLE 7
CONDITIONS**

Section 7.01 Conditions in Favour of Purchaser. The obligation of the Purchaser to complete the transactions contemplated by this Agreement is subject to the following conditions being fulfilled or performed at or prior to the Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct;
- (b) the Vendor shall have sought and received the Orders;
- (c) the Orders shall have been obtained in form and substance satisfactory to the Purchaser, acting reasonably, and the Orders shall not be stayed and no appeal of the Orders shall be pending; and
- (d) the Vendor shall have complied with and performed all of its covenants and obligations contained in this Agreement.

The foregoing conditions are for the exclusive benefit of the Purchaser, and any condition may be waived by in writing in whole or in part.

Section 7.02 Conditions in Favour of Vendor. The obligation of the Vendor to complete the transactions contemplated by this Agreement is conditional upon the payment of the Purchase Price by the Purchaser as set out in Section 8.03(a) and is subject to the following conditions being fulfilled or performed at or prior to Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct;
- (b) the Purchaser shall have complied with and performed all of its covenants and obligations contained in this Agreement (except that the Vendor reserves its rights against the Purchaser with respect to the disputed Inventory pursuant to section 3.02);
- (c) no action or proceeding, at law or in equity, shall have been commenced or threatened by any person, firm, company, government, regulatory body or agency to enjoin, restrict or prohibit the transaction which is subject of this Agreement; and
- (d) the Orders shall have been obtained in form and substance satisfactory to the Vendor, acting reasonably, and the Orders shall not be stayed and no appeal of the Orders shall be pending;

The foregoing conditions are for the exclusive benefit of the Vendor, and any condition may be waived by it in writing in whole or in part.

Section 7.03 Court Approval. The Purchaser hereby further acknowledges and agrees that this Agreement and the contemplated sale of the Inventory are subject to the condition that the Vendor shall have obtained each of the Orders from the Court within thirty (30) of the date

hereof, or such later date agreed to by the Purchaser and the Vendor, acting reasonably. If the Court at any time declines to grant either or both of the Orders, the Vendor may, at its option (but shall not be obligated to), pursue such right of appeal, if any, as is available or terminate this Agreement by written notice to the Purchaser.

Section 7.04 Non-Fulfillment. If any of the conditions contained in this Article 7 shall not have been fulfilled or performed on or before Closing and the party or parties entitled to waive the same shall not have done so, this Agreement shall be deemed to be terminated without further act by the Vendor or the Purchaser and the further obligations of the Vendor and the Purchaser under this Agreement shall terminate and neither party shall have any further obligations or liabilities hereunder.

ARTICLE 8 CLOSING

Section 8.01 Closing. Closing shall take place on the day which is three (3) Business Days following the making of the Orders at 2:00 p.m. (Toronto time) (the "**Time of Closing**"), at the offices of the Purchaser's Solicitors, 185 Sheppard Avenue West, Toronto, Ontario M2N 1M9, or such other time and/or location as the parties or their respective solicitors may actually agree upon in writing (the "**Closing Date**" or "**Closing**").

Section 8.02 Delivery of Closing Documents by Vendor. Following the payment of the Purchase Price by the Purchaser as set out in Section 8.03(a), the Vendor shall deliver to the Purchaser on Closing:

- (a) a copy of the issued and entered Orders;
- (b) two (2) copies of the Mutual Release executed by the Vendor;
- (c) subject to section 3.02, two (2) copies of the Rejection Certificate executed by the Vendor;
- (d) two (2) copies of a closing certificate executed by the Vendor certifying that all the representations and warranties of the Vendor set out in section 5.01 herein are true and correct as at the Time of Closing and that all conditions of Closing in favour of the Vendor set out in this Agreement have been satisfied or waived by the Vendor (except that the Vendor reserves its rights against the Purchaser with respect to the disputed Inventory pursuant to section 3.02), such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (e) a copy of the Receiver's certificate in substantially the form attached hereto as Schedule "D", certifying that all conditions necessary for the Vesting Order have been satisfied or waived (except that the Vendor reserves its rights against the Purchaser with respect to the disputed Inventory pursuant to section 3.02);
- (f) **[Intentionally Deleted]**; and

- (g) any other documents relative to the completion the transactions contemplated by this Agreement as may reasonably be required by the Purchaser or the Purchaser's Solicitors.

Section 8.03 Delivery of Closing Documents by Purchaser. The Purchaser shall deliver to the Vendor on Closing:

- (a) payment of the Purchase Price in accordance with Sections 2.02, 2.03 and 2.04 hereof;
- (b) payment of the Transfer Taxes, or provision of valid retail sales tax exemption certificate(s) or other exemption certificates in form and substance satisfactory to the Vendor;
- (c) two (2) copies of the Mutual Release executed by the Purchaser;
- (d) subject to section 3.02, two (2) copies of the Rejection Certificate executed by the Purchaser;
- (e) two (2) copies of a closing certificate executed by the Purchaser certifying that all the representations and warranties of the Purchaser set out in section 5.02 herein are true and correct as at the Time of Closing and that all conditions of Closing in favour of the Purchaser set out in this Agreement have been satisfied or waived by the Purchaser, such certificate to be in form and substance satisfactory to the Vendor, acting reasonably; and
- (f) any other documents relative to the completion of this Agreement as may reasonably be required by the Vendor or the Vendor's Solicitors.

ARTICLE 9 RECOATED INVENTORY

Section 9.01 Recoating. Following Removal, the Purchaser shall arrange to recoat the Recoated Inventory. The Purchaser acknowledges and agrees that the reprocessing of the Recoated Inventory is at the Purchaser's sole risk and that the Vendor shall have no liability to the Purchaser for any of the Recoated Inventory for any reason whatsoever.

ARTICLE 10 LIMITED LIABILITY

Section 10.01 Receiver's Limited Liability. The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including without limitation, in its execution, KPMG Inc. is acting solely in its capacity as Receiver, and as such, its liability as a consequence of this Agreement will be in its capacity as Receiver, and it will have no personal or corporate liability of any kind, whether in contract or in tort. The parties hereto further acknowledge and agree that liability of one party to the other in connection with a breach of this Agreement shall be limited to the amount of the Purchase Price.

**ARTICLE 11
GENERAL**

Section 11.01 Time. Time is of the essence and will remain of the essence notwithstanding the extension of any of the dates hereunder.

Section 11.02 No Waiver. No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

Section 11.03 Tender. It is agreed that any tender of documents or money may be made upon the respective solicitors for the parties and that it will be sufficient to tender a solicitor's certified trust cheque rather than cash.

Section 11.04 Fees and Expenses. Each party will pay its own legal fees incurred in connection with the transaction contemplated hereunder.

Section 11.05 Entire Agreement. This Agreement and the agreements, instruments and other documents entered into pursuant to this Agreement or in connection to the transactions contemplated thereby set forth the entire agreement and understanding of the parties with respect to the purchase by the Purchaser of raw materials from the Vendor and supersede all prior agreements and understandings among the parties with respect thereto, except that nothing in this section or in this Agreement or the entering into of this Agreement by the Vendor shall impair, prejudice or directly or indirectly constitute a release of or from, any claim or claims or causes of action of the Vendor against the Purchaser for purchase of raw materials arising from, pursuant to or in respect of the Accommodation Agreement if the transactions contemplated by this Agreement are not completed for any reason whatsoever or this Agreement is terminated by the Vendor pursuant to its right under section 3.02 of this Agreement, or with respect to the purchase of raw materials that the Purchaser has purported to reject pursuant to section 3.02 hereof where such purported rejection is not accepted by the Vendor. The parties hereto further acknowledge and agree that nothing in this section or this Agreement shall supersede, impair, prejudice or directly or indirectly constitute a release of the obligations of the Purchaser under the Accommodation Agreement to purchase finished goods and/or works-in-process.

Section 11.06 Amendment. This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

Section 11.07 Further Assurances. Each of the parties hereto will, at its own expense, promptly at all times and from time to time and upon reasonable request do, execute and deliver all such further assurances, acts and documents in connection with this Agreement that the other party may reasonably require for the purpose of evidencing and giving full force and effect to the covenants, agreements and provisions in this Agreement, provided that the obligation of the Vendor to comply with this provision shall only survive and be in existence for as long as the Vendor is the Receiver.

Section 11.08 Notices. Any notice, demand or other communication required or permitted to be given to any party hereunder shall be given in writing and addressed as follows:

In the case of the Vendor:

General Motors of Canada Limited
c/o Honigman, Miller, Schwartz and Cohn LLP
2290 First National Building
660 Woodward Avenue
Detroit, Michigan
48226-3506

Attention: Donald Baty
Facsimile No.: 313.465.7315

with a copy to:

Chaitons LLP
185 Sheppard Avenue West
Toronto, Ontario
M2N 1M9
Attention: Harvey Chaiton
Facsimile No.: 416-218-1849

In the case of the Purchaser:

KPMG Inc.
21 King Street West, Suite 510
Hamilton, ON L8N 3R1

Attention: Nick Brearton
Facsimile No.: 416-777-3364

with a copy to :

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 2800
Commerce Court West
Toronto, ON M5L 1A9

Attention: Milly Chow
Facsimile No.: 416-863-2653

Any such notice shall be deemed to be sufficiently given if personally delivered or sent by facsimile transmission, and in each case shall be deemed to have been received by the other party on the same day on which it was delivered or sent by facsimile or e-mail transmission, if such day is a Business Day, and, if not, on the next following Business Day.

Section 11.09 Assignment. The Purchaser may not assign its interest in this Agreement or direct title to any other person without the prior written consent of the Vendor, which consent may be arbitrarily withheld.

Section 11.10 Counterparts. This Agreement may be executed in any number of original counterparts each of which will be considered an original, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above and accepted on the date of the last signature, and only one of which need be produced for any purpose. Counterparts may be executed either in original, electronic or faxed form and the parties hereto adopt any signatures received electronically or by a receiving fax machine as original signatures of the parties.

Section 11.11 Binding Effect. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, as applicable.

Section 11.13 Severability. Any provision of this Agreement which is determined to be void, prohibited or unenforceable in any jurisdiction shall be severable to the extent of such avoidance, prohibition or unenforceability, all without invalidating or otherwise limiting or impairing the other provisions of this Agreement, provided, however, that the substance of this Agreement remains materially unaffected.

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Executed at this day of November, 2007.

KPMG INC., solely in its capacity as court-appointed receiver of the undertakings, property and assets of Genfast Manufacturing Company, and not in its personal or corporate capacity
Per:

Name: Nicholas Brearton
Title: Senior Vice-President

I have the authority to bind the corporation

GENERAL MOTORS OF CANADA LIMITED
Per:

Name:
Title:

I have the authority to bind the corporation

SCHEDULE "A"
DESCRIPTION OF INVENTORY

(See Attached)

PART NUMBER	GRADE	PART DESCRIPTION	LOCATION	HEAT LOT NUMBER	MNP GM BID		
					LBS	Offer/LB US\$	Value of Bid
912-43701	1008	.437 1008 MOD BK	GENFAST	F99898	19,130	0.355	6,798.80
TOTAL					19,130		6,798.80
912-55005	1335	.550 1335 SPH ROD C&L FW	GENFAST	560185	2,900	0.438	1,269.62
912-56215	1335	.562 1335 SPH ROD C&PHOS	GENFAST	W93308	8,641	0.447	3,860.80
912-56215	1335	.562 1335 SPH ROD C&PHOS	GENFAST	W93163	34,441	0.447	15,388.24
912-56215	1335	.562 1335 SPH ROD C&PHOS	GENFAST	W93308	8,702	0.447	3,888.05
912-56222	1335	.562 1335 SPH ROD PHOS & LUBE	GENFAST	W93165	56,290	0.449	25,291.10
TOTAL					110,974		49,697.81
6525-243	1335	.640 1335 CHQ	MITTALL	A83552	5,274	0.359	1,893.37
6525-243	1335	.640 1335 CHO	MITTALL	W91775	24,903	0.359	8,940.18
6525-243	1335	.640 1335 CHQ	MITTALL	W91776	14,453	0.359	5,188.63
6525-246	1335	.640 1335 CHQ	MITTALL	436890	170,332	0.338	57,623.32
6525-246	1335	.640 1335 CHQ	MITTALL	436900	27,539	0.338	9,316.44
6525-246	1335	.640 1335 CHQ	MITTALL	439020	36,106	0.338	12,214.66
6525-246	1335	.640 1335 CHQ	MITTALL	439030	95,361	0.338	32,260.63
912-64052	1335	.640 1335 SPH ROD C&L	GENFAST	W92682	17,315	0.438	7,583.97
912-64052	1335	.640 1335 SPH ROD C&L	GENFAST	W92682	65,059	0.438	28,495.84
912-64064	1335	.640 1335 SPH ROD C&PH	GENFAST	W92682	8,360	0.446	3,728.56
TOTAL					464,702		167,245.59
6434-052	1541	.297 1541 CHQ	MITTALL	A83058	4,430	0.359	1,589.93
3434-056	1541	.297 1541 CHQ	SIVACO	610464	13,475	0.327	4,407.13
912-29710	1541	.297 1541 SPH ROD C&L	GENFAST	610464	23,950	0.438	10,497.29
TOTAL					41,855		16,494.35
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461154	80,146	0.512	41,042.77
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461154	71,944	0.512	36,842.52
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461154	11,912	0.512	6,100.14
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461152	4,456	0.512	2,281.92
912-32001	1541	.320 1541 SPH SAFS PHOS & POL	GENFAST	562893	56,604	0.512	28,986.91
912-32001	1541	.320 1541 SPH SAFS PHOS & POL	GENFAST	562893	40,111	0.512	20,540.84
912-32001	1541	.320 1541 SPH SAFS PHOS & POL	GENFAST	461154	13,368	0.512	6,845.75
3434-076	1541	.328 1541 CHQ	MITTALL	461152	5,236	0.327	1,712.49
3434-076	1541	.328 1541 CHQ	MITTALL	797584	51,403	0.327	16,811.87
3434-076	1541	.328 1541 CHQ	SIVACO	560987	8,800	0.327	2,878.13
3434-076	1541	.328 1541 CHQ	SIVACO	560997	39,602	0.327	12,952.23
3434-076	1541	.328 1541 CHQ	SIVACO	630503	4,504	0.327	1,473.08
3434-076	1541	.328 1541 CHQ	SIVACO	797584	83,600	0.327	27,342.22
912-32815	1541	.328 1541 SPH ROD C&L	GENFAST	560997	36,035	0.438	15,794.14
912-32815	1541	.328 1541 SPH ROD C&L	GENFAST	560989	9,380	0.438	4,111.25
912-32823	1541	.328 1541 SPH ROD C&P	GENFAST	560987	9,008	0.447	4,029.28
TOTAL					526,109		229,745.52
912-36500	1541	.365 1541 SPH SAFS PHOS & LU	GENFAST	460180	50,756	0.512	25,992.15
912-36500	1541	.365 1541 SPH SAFS PHOS & LU	GENFAST	460180	49,088	0.512	25,137.96
912-36500	1541	.365 1541 SPH SAFS PHOS & LU	GENFAST	460106	30,778	0.512	15,761.41
6434-102	1541	.375 1541 CHQ	MITTALL	A83037	4,380	0.359	1,571.98
3434-106	1541	.375 1541 CHQ	SIVACO	620589	4,380	0.327	1,432.52
3434-106	1541	.375 1541 CHQ	SIVACO	630499	13,140	0.327	4,297.57
912-37508	1541	.375 1541 SPH ROD C&L BOF	GENFAST	630499	32,675	0.438	14,321.45
912-37522	1541	.375 1541 SPH ROD PHOS & LUBE	GENFAST	630499	30,660	0.450	13,790.87
912-37522	1541	.375 1541 SPH ROD PHOS & LUBE	GENFAST	620581	10,705	0.450	4,815.11
TOTAL					226,562		107,121.03
6434-112	1541	.391 1541 CHQ	MITTALL	A81345	13,780	0.358	4,933.24
6434-116	1541	.391 1541 CHQ	MITTALL	430460	2,981	0.331	986.71
912-38500	1541	0.385 1541 SPH SAFS PHOS & LUB	GENFAST	461154	31,272	0.393	12,299.28
912-38500	1541	0.385 1541 SPH SAFS PHOS & LUB	GENFAST	461154	26,856	0.393	10,562.46
TOTAL					74,889		28,781.69
3434-136	1541	.431 1541 CHQ	MITTALL	561025	14,070	0.327	4,601.73
6434-136	1541	.431 1541 CHQ	MITTALL	136246	14,731	0.331	4,882.03
3434-136	1541	.431 1541 CHQ	SIVACO	630499	10,163	0.327	3,323.91
3434-136	1541	.431 1541 CHQ	SIVACO	561024	4,504	0.327	1,473.08
912-43106	1541	.431 1541 SPH ROD C&L BOF FW	GENFAST	630499	4,400	0.438	1,928.52
912-43108	1541	.431 1541 SPH ROD C&P FW	GENFAST	630499	2,300	0.447	1,028.79
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	107,142	0.530	56,815.26
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	40,253	0.530	21,345.36
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	56,766	0.530	30,101.87
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	66,625	0.530	35,329.91
912-42501	1541	0.425 1541 SPH SAFS PHOS & POL	GENFAST	461152	26,779	0.530	14,200.37
TOTAL					347,733		175,030.83
3434-926	1541	.452 1541 CHQ	SIVACO	461199	68,163	0.327	22,293.39
3434-926	1541	.452 1541 CHQ	SIVACO	630495	90,024	0.327	29,443.25
912-45225	1541	.452 1541 SPH ROD C&L BOF	GENFAST	461199	18,386	0.438	8,058.58
912-45225	1541	.452 1541 SPH ROD C&L BOF	GENFAST	461163	13,506	0.438	5,919.68
912-45225	1541	.452 1541 SPH ROD C&L BOF	GENFAST	561023	4,400	0.438	1,928.52
912-45236	1541	.452 1541 SPH ROD C&PH BOF	GENFAST	461199	13,506	0.447	6,041.23
912-45236	1541	.452 1541 SPH ROD C&PH BOF	GENFAST	461170	2,700	0.447	1,207.71
912-45000	1541	0.450 1541 SPH SAFS PHOS&LUBE	GENFAST	797584	64,235	0.512	32,894.74
TOTAL					274,920		107,787.11
3434-146	1541	.469 1541 CHQ	SIVACO	797684	14,667	0.327	4,796.99
912-46919	1541	.469 1541 SPH ROD C&L BOF	GENFAST	797684	31,112	0.438	13,636.39
TOTAL					45,779		18,433.38
912-48516	1541	.485 1541 SPH ROD C&L BOF FW	GENFAST	460106	10,993	0.438	4,818.23
TOTAL					10,993		4,818.23
912-55000	1541	.550 1541 SPH ROD C&L BOF FW	GENFAST	630501	10,000	0.438	4,383.00
TOTAL					10,000		4,383.00
912-40500	1541	0.405 1541 SPH SAFS PHOS & LUB	GENFAST	461154	104,043	0.660	68,668.38
912-40500	1541	0.405 1541 SPH SAFS PHOS & LUB	GENFAST	560111	17,511	0.660	11,557.26
912-40500	1541	0.405 1541 SPH SAFS PHOS & LUB	GENFAST	461154	40,262	0.660	26,572.92
912-40501	1541	0.405 1541 SPH SAFS PHOS & POL	GENFAST	560111	4,489	0.512	2,298.82
TOTAL					166,305		109,097.38
912-29718	10B21	.297 10B21 SIK CH ROD C&PH&LU	GENFAST	W91341	3,050	0.408	1,243.79
TOTAL					3,050		1,243.79
TOTAL ROD IN COIL FORM					2,323,001		\$ 1,026,678.51

SCHEDULE "B"
DESCRIPTION OF RECOATED INVENTORY

(See Attached)

IN THE MATTER OF THE RECEIVERSHIP OF GENFAST MANUFACTURING COMPANY
RECOATED INVENTORY

Schedule "B"

PART NUMBER	GRADE	PART DESCRIPTION	LOCATION	HEAT LOT NUMBER	MNP GM BID		
					LBS	Offer/LB US\$	Value of Bid
912-43701	1008	.437 1008 MOD BK	GENFAST	F99898	19,130	0.355	6,798.80
912-55005	1335	.550 1335 SPH ROD C&L FW	GENFAST	560185	2,900	0.438	1,269.62
912-56215	1335	.562 1335 SPH ROD C&PHOS	GENFAST	W93308	8,641	0.447	3,860.80
912-56215	1335	.562 1335 SPH ROD C&PHOS	GENFAST	W93163	34,441	0.447	15,388.24
912-56215	1335	.562 1335 SPH ROD C&PHOS	GENFAST	W93308	8,702	0.447	3,888.05
912-56222	1335	.562 1335 SPH ROD PHOS & LUBE	GENFAST	W93165	56,290	0.449	25,291.10
912-64052	1335	.640 1335 SPH ROD C&L	GENFAST	W92682	17,315	0.438	7,583.97
912-64052	1335	.640 1335 SPH ROD C&L	GENFAST	W92682	65,059	0.438	28,495.84
912-64064	1335	.640 1335 SPH ROD C&PH	GENFAST	W92682	8,360	0.446	3,728.56
912-29710	1541	.297 1541 SPH ROD C&L	GENFAST	610464	23,950	0.438	10,497.29
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461154	80,146	0.512	41,042.77
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461154	71,944	0.512	36,842.52
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461154	11,912	0.512	6,100.14
912-32000	1541	.320 1541 SPH SAFS PHOS & LU	GENFAST	461152	4,456	0.512	2,281.92
912-32001	1541	.320 1541 SPH SAFS PHOS & POL	GENFAST	562893	56,604	0.512	28,986.91
912-32001	1541	.320 1541 SPH SAFS PHOS & POL	GENFAST	562893	40,111	0.512	20,540.84
912-32001	1541	.320 1541 SPH SAFS PHOS & POL	GENFAST	461154	13,368	0.512	6,845.75
3434-076	1541	.328 1541 CHQ	MITTALL	797584	51,403	0.327	16,811.87
3434-076	1541	.328 1541 CHQ	SIVACO	560997	39,602	0.327	12,952.23
3434-076	1541	.328 1541 CHQ	SIVACO	797584	83,600	0.327	27,342.22
912-32815	1541	.328 1541 SPH ROD C&L	GENFAST	560997	36,035	0.438	15,794.14
912-32815	1541	.328 1541 SPH ROD C&L	GENFAST	560989	9,380	0.438	4,111.25
912-32823	1541	.328 1541 SPH ROD C&P	GENFAST	560987	9,008	0.447	4,029.28
912-36500	1541	.365 1541 SPH SAFS PHOS & LU	GENFAST	460180	50,756	0.512	25,992.15
912-36500	1541	.365 1541 SPH SAFS PHOS & LU	GENFAST	460180	49,088	0.512	25,137.96
912-36500	1541	.365 1541 SPH SAFS PHOS & LU	GENFAST	460106	30,778	0.512	15,761.41
912-37508	1541	.375 1541 SPH ROD C&L BOF	GENFAST	630499	32,675	0.438	14,321.45
912-37522	1541	.375 1541 SPH ROD PHOS & LUBE	GENFAST	630499	30,660	0.450	13,790.87
912-37522	1541	.375 1541 SPH ROD PHOS & LUBE	GENFAST	620581	10,705	0.450	4,815.11
912-38500	1541	0.385 1541 SPH SAFS PHOS & LUB	GENFAST	461154	31,272	0.393	12,299.28
912-38500	1541	0.385 1541 SPH SAFS PHOS & LUB	GENFAST	461154	26,856	0.393	10,562.46
912-43106	1541	.431 1541 SPH ROD C&L BOF FW	GENFAST	630499	4,400	0.438	1,928.52
912-43108	1541	.431 1541 SPH ROD C&P FW	GENFAST	630499	2,300	0.447	1,028.79
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	107,142	0.530	56,815.26
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	40,253	0.530	21,345.36
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	56,766	0.530	30,101.87
912-42500	1541	0.425 1541 SPH SAFS PHOS & LUB	GENFAST	461152	66,625	0.530	35,329.91
912-42501	1541	0.425 1541 SPH SAFS PHOS & POL	GENFAST	461152	26,779	0.530	14,200.37
912-45225	1541	.452 1541 SPH ROD C&L BOF	GENFAST	461199	18,386	0.438	8,058.58
912-45225	1541	.452 1541 SPH ROD C&L BOF	GENFAST	461163	13,506	0.438	5,919.68
912-45225	1541	.452 1541 SPH ROD C&L BOF	GENFAST	561023	4,400	0.438	1,928.52
912-45236	1541	.452 1541 SPH ROD C&PH BOF	GENFAST	461199	13,506	0.447	6,041.23
912-45236	1541	.452 1541 SPH ROD C&PH BOF	GENFAST	461170	2,700	0.447	1,207.71
912-45000	1541	0.450 1541 SPH SAFS PHOS&LUBE	GENFAST	797584	64,235	0.512	32,894.74
912-46919	1541	.469 1541 SPH ROD C&L BOF	GENFAST	797684	31,112	0.438	13,636.39
912-48516	1541	.485 1541 SPH ROD C&L BOF FW	GENFAST	460106	10,993	0.438	4,818.23
912-55000	1541	.550 1541 SPH ROD C&L BOF FW	GENFAST	630501	10,000	0.438	4,383.00
912-40500	1541	0.405 1541 SPH SAFS PHOS & LUB	GENFAST	461154	104,043	0.660	68,668.38
912-40500	1541	0.405 1541 SPH SAFS PHOS & LUB	GENFAST	560111	17,511	0.660	11,557.26
912-40500	1541	0.405 1541 SPH SAFS PHOS & LUB	GENFAST	461154	40,262	0.660	26,572.92
912-40501	1541	0.405 1541 SPH SAFS PHOS & POL	GENFAST	560111	4,489	0.512	2,298.82
912-29718	10B21	.297 10B21 SIK CH ROD C&PH&LU	GENFAST	W91341	3,050	0.408	1,243.79
TOTAL ROD IN COIL FORM					1,657,605		\$ 803,144.13

SCHEDULE "C"

FULL AND FINAL MUTUAL RELEASE

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged:

(1) **KPMG INC.** in its capacity as court-appointed receiver of the assets, properties and undertakings of Genfast Manufacturing Corporation ("**Genfast**"), and not in its personal or corporate capacity (the "**Receiver**"), does hereby irrevocably release, remise, acquit and forever discharge **GENERAL MOTORS OF CANADA LIMITED, GENERAL MOTORS CORPORATION** and their respective affiliates, together with their respective shareholders, partners, officers, directors, solicitors, agents, servants, employees, successors and assigns (individually and collectively, "**GM**"), from and against any and all actions, causes of action, suits, liabilities, obligations, debts, dues, accounts, covenants, contracts, demands, proceedings and claims for injuries, losses or damages of any kind whatsoever (collectively, the "**Claims**") which the Receiver or Genfast has had, now has, or may hereafter have against GM by reason of or in any way arising out of any cause, matter or thing existing up to the present time, directly or indirectly connected with, arising from, pursuant to or in respect of any written or oral contract or agreement by GM to purchase the raw material inventory of Genfast, including (but not limited to) pursuant to an email agreement (the "**Accommodation Agreement**") sent on March 24, 2007 by Donald F. Baty to T. Sylwestrzak, a copy of which is attached hereto as Schedule "1" (collectively, the "**GM Released Claims**") but, for greater certainty, shall exclude (i) any Claims directly or indirectly connected with, arising from, pursuant to or in respect of any written or oral contract or agreement by GM to purchase the raw material which GM has purported to reject pursuant to section 3.02 of the Inventory Purchase Agreement dated as of ▪ (the "**Inventory Purchase Agreement**"), where such purported rejection is not accepted by the Vendor; (ii) any Claims of the Receiver or Genfast against GM directly or indirectly connected with, arising from, pursuant to or in respect of any written or oral contract or agreement by GM to purchase finished goods or works-in-process pursuant to the Accommodation Agreement; (iii) any Claims of the Receiver or Genfast against GM directly or indirectly connected with, arising from, pursuant to or in respect of the Accommodation Agreement if the transactions contemplated by the Inventory Purchase Agreement are not completed for any reason whatsoever, or the Inventory Purchase Agreement is terminated by the Receiver pursuant to its rights thereunder; and (iv) any Claims of the Receiver or Genfast against GM directly or indirectly connected with, arising from, pursuant to or in respect of any written or oral contract or agreement by GM pursuant to which sales of inventory have been made prior to the date of this Mutual Release in respect of which the Receiver and/or Genfast asserts that a receivable is owing and/or GM asserts a right of set-off (the "**Excluded Claims**"). The parties hereto acknowledge and agree for greater certainty that the only Claims being released by this Mutual Release are the GM Released Claims and the Genfast Released Claims; and

(2) GM does hereby irrevocably release, remise, acquit and forever discharge KPMG Inc., in its capacity as Receiver and in its personal and/or corporate capacity, Genfast and their respective affiliates, together with their respective shareholders, partners, officers, directors, solicitors, agents, servants, employees, successors and assigns, from and against any and all Claims which GM has had, now has, or may hereafter have against either of the Receiver or Genfast by reason of or in any way arising out of any cause, matter or thing existing up to the present time, directly or indirectly connected with, arising from, pursuant to or in respect of any written or oral contract or agreement by GM to purchase the raw material inventory of Genfast, including (but not limited to) pursuant to the Accommodation Agreement (the "**Genfast Released Claims**") but, for greater certainty, shall exclude (i) any Claim of GM against the Receiver and/or Genfast with respect to damages, if any, GM purports to have suffered as a result of, *inter alia*, the

insolvency of Genfast and any right GM asserts to set-off such damages, if any, as against amounts that may be owing by GM to Genfast and/or the Receiver, other than the amounts owing by GM to the Receiver under the Inventory Purchase Agreement; and (ii) any Claims directly or indirectly connected with, arising from, pursuant to or in respect of the Excluded Claims (the “GM Excluded Claims”). The parties hereto acknowledge and agree that nothing herein prejudices the right of the Receiver or Genfast to assert that a Claim, other than a GM Excluded Claim, is not a GM Released Claim; and .

AND IT IS FURTHER AGREED AND UNDERSTOOD that for the consideration aforesaid, each of GM and the Receiver undertakes and agrees not to take any steps or initiate any proceedings against any person, partnership, corporation or other entity which might be entitled to claim contribution, indemnity or other relief under the provisions of any statute or otherwise with respect to any of the GM Released Claims or the Genfast Released Claims.

AND IT IS UNDERSTOOD AND AGREED that in the event that any of GM and/or the Receiver should hereafter make any claims or demands or commence or threaten to commence any actions against any of the parties released hereunder in respect of the GM Released Claims or the Genfast Released Claims, this document may be raised as an estoppel to any claim, demand or action commenced in regard to the aforesaid.

AND EACH OF GM AND THE RECEIVER HEREBY UNDERTAKES unto the other parties hereto to execute and deliver to each other party hereto, upon request, such other documents or instruments as may be reasonably required from time to time to further effectuate this Mutual Release.

THIS MUTUAL RELEASE shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

AND IT IS FURTHER agreed that this Mutual Release shall be governed and construed in accordance with the laws of Ontario.

DATED at _____, this _____ day of November, 2007.

GENERAL MOTORS OF CANADA LIMITED

Per:

Name:

Title:

I have the authority to bind the corporation

GENERAL MOTORS CORPORATION

Per:

Name:

Title:

I have the authority to bind the corporation

KPMG INC., solely in its capacity as Court-Appointed receiver of the undertakings, properties and assets of Genfast Manufacturing Company, and not in its personal or corporate capacity
Per:

Name: Nicholas Brearton
Title: Senior Vice-President

I have the authority to bind the corporation

SCHEDULE "D"

RECEIVER'S CERTIFICATE

Court File No. 07-CL-6926

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

B E T W E E N:

LaSalle Business Credit,
a Division of ABN AMRO Bank N.V. Canada Branch

Applicant

- and -

Genfast Manufacturing Company

Respondents

RECEIVER'S CERTIFICATE

RECITALS:

WHEREAS, pursuant to the Order of this Honourable Court dated April 5, 2007, KPMG Inc. ("KPMG") was appointed as receiver (the "Receiver"), without security, of all the assets, undertakings and properties of the respondents Genfast Manufacturing Company ("Genfast");

AND WHEREAS, pursuant to the Approval and Vesting Order of this Honourable Court dated _____, 2007 (the "Approval and Vesting Order"), the Court, *inter alia*, approved the GM Settlement Agreement dated as of ●, 2007 (the "GM Settlement Agreement") entered into between the Receiver, and General Motors of Canada Limited ("GM");

AND WHEREAS, pursuant to the Approval and Vesting Order, the Court ordered, *inter alia*, the vesting in and to GM of all right, title and interest, if any, of the Receiver and Genfast in and to the Inventory (as defined in the GM Settlement Agreement). which vesting was to be effective upon delivery by the Receiver to GM of a certificate substantially in the form attached as Schedule "A" to the Approval and Vesting Order, certifying that all the conditions necessary for the Approval and Vesting Order have been satisfied or waived (the "Conditions"),

THE RECEIVER HEREBY CERTIFIES that the Conditions have been satisfied or waived.

DATED at Toronto, Ontario, this day of November, 2007.

KPMG INC., solely in its capacity as receiver of
Genfast Manufacturing Company, and not in its
personal or corporate capacity

By: _____
Name:
Title:

LaSalle Business Credit, a Division of
ABN AMRO Bank N.Y., Canada
Branch
Applicant

and

Genfast Manufacturing Company
Respondents

Court File No: 07-CL-6926

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

RECEIVER'S CERTIFICATE

BLAKE, CASSELS & GRAYDON LLP
Barristers & Solicitors
199 Bay Street
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Fax: (416) 863-2653

Solicitors for the Receiver

LaSalle Business Credit, and Genfast Manufacturing Company
A Division of ABM AMRO Bank N.V., Canada Branch
Applicant Respondent

Court File No: 07-CL-6926

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SEVENTH REPORT TO THE COURT DATED
NOVEMBER 4, 2007

Blake, Cassels & Graydon LLP
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Solicitors for the Receiver