

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



THE HONOURABLE
MR. JUSTICE CAMPBELL

) MONDAY, THE 5th
)
) DAY OF NOVEMBER, 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 KPMG Inc. ("KPMG") in its capacity as receiver (the "Receiver") of all of the assets, undertakings and properties of Genfast Manufacturing Company ("Genfast") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Fifth Report to the Court dated October 29, 2007; the Receiver's Sixth Report to the Court dated November 2, 2007; and the Receiver's Seventh Report to the Court dated November 4, 2007 (collectively, the "Reports"), filed, and on hearing the submissions of counsel for the Receiver and the Applicant,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable today and that all parties entitled to Notice of the motion have been duly served, that no other parties are affected by this Order and that any requirement for service of the Notice of Motion and Motion Record upon any party other than the parties served is unnecessary and hereby

dispensed with and that the service of the Notice of Motion and Motion Record is hereby validated in all respects.

2. **THIS COURT ORDERS AND DECLARES** that all capitalized terms not otherwise defined herein shall have the same meaning as in the Reports.

3. **THIS COURT ORDERS AND DECLARES** that the Reports and the activities of KPMG as described in the Reports, be and are hereby approved.

4. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized and directed to establish a reserve from the proceeds of sale of the steel coil inventory located at Sivaco Ontario ("Sivaco") in an amount equal to the lesser of the gross proceeds of sale allocated to the steel coil inventory located at Sivaco (the "Lien Coil"), excluding taxes, and \$89,430.11 (the "Sivaco Reserve"), provided, and notwithstanding any other provision of this Order, that if the gross proceeds of sale of the Lien Coil are less than the Sivaco Claim (which hereinafter used shall be plus additional storage fees after October 31, 2007), then Sivaco, acting reasonably, shall be entitled to retain possession of an amount of the Lien Coil sufficient to satisfy the difference between the Sivaco Claim and the Sivaco Reserve based on the scrap value of such Lien Coil, and in any event, Sivaco shall retain possession of all Lien Coil until the earlier of when possession of any such Lien Coil is transferred to purchasers of the Lien Coil and December 31, 2007, subject to further Order of the Court, unless the Receiver and Sivaco agree otherwise.

5. **THIS COURT ORDERS AND DIRECTS** that the Sivaco Reserve shall be held by the Receiver until the adjudication or resolution of the Sivaco Claim and the Sivaco Reserve shall be segregated by the Receiver or shall be noted in the Receiver's records of receipts as the "Sivaco Reserve".

6. **THIS COURT ORDERS AND DIRECTS** that, subject to paragraph 4 of this Order, Sivaco shall co-operate with the Receiver and any purchasers of the Lien Coil (including any of their respective employees and agents) in respect of the removal of all Lien Coil, including providing reasonable access to Sivaco's premises to permit such removal.

7. **THIS COURT ORDERS AND DECLARES** that the removal of the Lien Coil from the possession of Sivaco shall not alter or vary the nature or priority of the Sivaco Claim, and the Sivaco Claim, such as it is, shall continue with respect to the Sivaco Reserve as though the Lien Coil had not been removed from Sivaco's premises and the removal and retention of the Lien Coil shall be without prejudice to the respective rights of the Receiver and Sivaco to assert any and all claims and arguments with respect to the Sivaco Claim.

8. **THIS COURT ORDERS** that the sales of the Remaining Raw Materials Inventory to MNP, B&D and Emerald, as described in the Reports, are hereby approved and the Receiver is hereby authorized to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement the sales of the Remaining Raw Materials Inventory to MNP, B&D and Emerald.

9. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to sell for scrap value that portion of the Remaining Raw Materials Inventory not sold to MNP, B&D and Emerald for any reason and to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement such sales for scrap value.

10. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to enter into and complete the CBC Agreement, as described in the Reports, and to take any such steps and execute any such documentation that may be necessary or incidental to give effect to and implement the CBC Agreement.

11. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to sell Genfast's thread die inventory to MNP, as described in the Reports, and to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement this sale.

12. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to enter into and complete the GFC Settlement Agreement, as described in the

Reports, and to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement the GFC Settlement Agreement.

13. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to sell the Unsaleable Inventory to K&K, as described in the Reports, and to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement the sale of the Unsaleable Inventory.

14. **THIS COURT ORDERS** that the Ford Agreement, as described in the Reports, is hereby approved and the Receiver is hereby authorized and permitted to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement the Ford Agreement.

15. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to sell any portion of the inventory being sold pursuant to the Ford Agreement including the Ford Steel Coil Inventory which is not sold pursuant to the Ford Agreement for any reason for its scrap value.

16. **THIS COURT ORDERS AND DIRECTS** that, 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 Wednesday, November 7, 2007, the GM Agreement is hereby approved and the Receiver is hereby authorized and permitted to enter into the GM Agreement, and to take any such steps and execute any such documentation as may be necessary or incidental to give effect to and implement the GM Agreement.

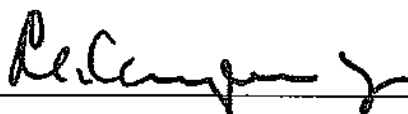
17. **THIS COURT ORDERS** that, effective immediately upon the filing of a Receiver's Certificate with this Court confirming that the GM Agreement has been completed, including payment of the purchase price, all of the right, title and interest, if any, of Genfast in and to the GM Steel Coil Inventory (but not the Rejected GM Steel Coil Inventory), shall vest and are hereby vested in and to GM absolutely and forever, free and clear of and from any and all right, title, interest, security interests, mortgages, charges, hypothecs, estates, trusts or deemed trusts (whether contractual, statutory or otherwise), liens (whether contractual, statutory or

otherwise), assignments, executions, options, adverse claims, levies, agreements, taxes, claims, encumbrances or any other rights, rights of use, claims, disputes and debts of any person or entity of any kind whatsoever and whether legal or equitable.

18. **THIS COURT ORDERS** that the proceeds of sale from the GM Agreement (the "GM Sale Proceeds") shall stand in the place and stead of the GM Steel Coil Inventory and shall stand charged with all the Encumbrances as existed in respect of the GM Steel Coil Inventory which were released, discharged or otherwise displaced by the vesting of the GM Steel Coil Inventory in GM and such Encumbrances on the GM Sale Proceeds shall enjoy the same priorities as each such Encumbrance had in respect of the GM Steel Coil Inventory as of the date hereof, as if the sale of the GM Steel Coil Inventory had not occurred, but the holder of any such Encumbrance shall have no further right in or against, or recourse to, the GM Steel Coil Inventory

19. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized to, if GM has not executed the GM Agreement by 2:00 p.m. Eastern Standard Time on Wednesday, November 7, 2007, or if the sale of any portion of the GM Steel Coil Inventory is not completed for any reason, sell the unsold portion GM Steel Coil Inventory or any portion thereof and any of the Rejected GM Steel Coil Inventory for its scrap value.

20. **THIS COURT ORDERS** that the Records Request Protocol, as described in the Reports, is hereby approved.



ENTREED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV 05 2007

PER/PAR:



Court File No. 07-CL-6926

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GENFAST MANUFACTURING COMPANY

ONTARIO
SUPERIOR COURT O
(Commercial List)

Proceeding Commenced at TORONTO

ORDER

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Solicitors for KPMG Inc. in its capacity as
Receiver of the property, assets and undertaking of
Genfast Manufacturing Company

Nov. 05, 2007

Court File No. 07-CL-6926

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GENFAST MANUFACTURING COMPANY

Nov. 5/07 record
Having read the motion report & the
to the reports of the Receiver (the
(whom has sealed court. further order)
referred - I am satisfied that
an order made in the form
filed & signed approving the
activities & reports of the Receiver
as set out in the doc / + filed assigned
B. Campbell

ONTARIO

SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at TORONTO

MOTION RECORD

Returnable November 5, 2007

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