

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 18th
)
JUSTICE MORAWETZ) DAY OF JUNE, 2009

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

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT OF W.C. WOOD CORPORATION, LTD.,
W.C. WOOD HOLDINGS INC. AND
W.C. WOOD CORPORATION INC.

ORDER

THIS MOTION, made by W.C. Wood Corporation, Ltd., W.C. Wood Holdings Inc. and W.C. Wood Corporation Inc. (together, "W.C. Wood" or the "Applicants") for the relief set out in the W.C. Wood notice of motion was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Joseph Angi sworn June 16, 2009 and the Exhibits thereto (the "Angi Affidavit") and on hearing the submissions of counsel for W.C. Wood, the lenders, CIT Business Credit Canada Inc., The CIT Group/Business Credit, Inc., Bank of Montreal and Bank of Montreal Chicago Branch (the "Lenders"), and the Monitor, BDO Dunwoody Limited ("BDO") no one else appearing on this Application, although served as appears from the Affidavit of Service of Maria Basurto sworn June 17, 2009, filed.

1. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Amended Initial Order of Madam Justice Pepall dated May 19, 2009 (the "Initial Order").

SERVICE

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

EXTENSION OF THE STAY PERIOD

3. THIS COURT ORDERS that the Stay Period be and is hereby extended to August 31, 2009.

WHIRLPOOL DIP FACILITY

4. THIS COURT ORDERS that W.C. Wood Corporation, Ltd. and W. C. Wood Corporation Inc. are hereby authorized and empowered to obtain and borrow, and W.C. Wood Holdings, Inc. is hereby authorized and empowered to act as guarantor, under a credit facility from Whirlpool Corporation ("Whirlpool") (the "Whirlpool DIP Facility") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures.

5. THIS COURT ORDERS that the Whirlpool DIP Facility shall be on the terms and subject to the conditions set forth in Whirlpool DIP Term Sheet dated June 16, 2009 (the "Whirlpool DIP Term Sheet") and borrowings under the Whirlpool DIP Facility shall not exceed the amount specified in the Whirlpool DIP Term Sheet.

6. THIS COURT ORDERS that the Applicants are authorized and empowered to execute and deliver and cause the guarantors listed in the Whirlpool DIP Term Sheet that are not Applicants to execute and deliver such loan, guarantee and security documents relating to the Whirlpool DIP Facility and such security documents evidencing the Whirlpool DIP Charge in such form and substance as Whirlpool acting in a commercially reasonable manner may require, and which additional documents, if required, shall be prepared by Lang Michener LLP;

7. THIS COURT ORDERS that Whirlpool shall be entitled to the benefit of and is granted as security for the Whirlpool DIP Facility, fixed and floating charges, general security interests and hypothecs or the equivalent thereof, on all present and future assets, property and

undertaking of the Applicants, real or personal, wherever situate, in the manner and having the priority as set out in paragraph 9 below (the "Whirlpool DIP Charge"), which charge shall not exceed the aggregate amount owed to Whirlpool under the Whirlpool DIP Term Sheet.

8. THIS COURT ORDERS that Whirlpool may take such steps from time to time as it may deem necessary or appropriate to effect registrations, filings and recordings regarding Whirlpool DIP Charge wherever in their discretion they deem appropriate;

9. THIS COURT ORDERS that the Whirlpool DIP Charge and the documents delivered pursuant to the Whirlpool DIP Term Sheet (collectively, the "Whirlpool DIP Facility Security") shall have priority over all present and future charges, encumbrances and security, whether legal or equitable, but, notwithstanding the above, shall be subordinate to:

(A) the Administrative Charge

(B) the Directors' Charge;

(C) the charge in favour of CIT Business Credit Canada Inc. ("CIT"), in its capacity as agent for the Lenders (as such term is defined in an Accommodation and Debtor-In-Possession Financing Agreement dated as of May 21, 2009 (the "CIT DIP Credit Agreement") as authorized and defined by the Amended Initial Order of Madam Justice Pepall dated May 19, 2009 in the CCAA Proceedings, including the charge in favour of and for the benefit of the Secured Lenders granted pursuant to a the Credit Agreement dated January 14, 2008 among, inter alia, CIT and the Borrowers (collectively, the "CIT Charge");

10. THIS COURT ORDERS that the Whirlpool DIP Charge shall be valid and effective to secure all of the obligations of the Applicants to Whirlpool under the Whirlpool DIP Facility without the necessity of the making of any registrations or filings and whether or not any other documents are executed by any of the Applicants and Whirlpool pursuant thereto;

11. THIS COURT DECLARES that the granting of the Whirlpool DIP Charge and all other documents executed and delivered to Whirlpool as contemplated in the Whirlpool DIP Term Sheet, including, without limitation, all actions taken to perfect, record and register the

Whirlpool DIP Charge or Whirlpool DIP Facility Security do not constitute conduct meriting an oppression remedy, settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable federal or provincial legislation;

12. THIS COURT ORDERS that except as otherwise expressly provided for herein or in the Initial Order, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Whirlpool DIP Charge, unless the Applicants also obtain the prior written consent of the Monitor and Whirlpool, or further Order of this Court.

13. THIS COURT ORDERS AND DECLARES that Whirlpool shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Whirlpool DIP Facility, and paragraphs 15-18 and 20 of the Initial Order shall not apply to:

(A) prevent Whirlpool from making demand for payment of amounts outstanding under the Whirlpool DIP Facility;

(B) prevent Whirlpool from applying to the Court, on five (5) Business Days notice to W.C. Wood Corporation, Inc. and to CIT Business Credit Canada Ltd. in its capacity as agent under the CIT DIP Credit Agreement for the appointment of a receiver and manager and/or for the appointment of a trustee in bankruptcy in connection with the enforcement of the Whirlpool DIP Charge or to seek other relief in connection with and for purposes of payment of amounts outstanding under the Whirlpool DIP Facility; and

(C) prevent the Applicants from paying amounts from time to time to reduce Whirlpool DIP Facility.

14. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
W.C. WOOD CORPORATION, LTD., W.C. WOOD HOLDINGS INC. AND W.C. WOOD CORPORATION INC.

Court File No. CV-09-8194-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

ORDER

McCarthy Tétrault LLP
Suite 5300, Box 48
Toronto Dominion Bank Tower
Toronto-Dominion Centre
Toronto, ON M5K 1E6

Kevin McElcheran LSUC# 22119H
Tel. (416) 601-7730

Heather L. Meredith LSUC# 48354R
Tel: (416) 601-8342
Fax: (416) 868-0673

Solicitors for the Applicants
452319