

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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 AND
ARRANGEMENT OF W.C. WOOD CORPORATION, LTD., W.C. WOOD CORPORATION,
INC. and W.C. WOOD HOLDINGS, INC. (together the "Applicants" or "W.C. Wood")

**EIGHTH REPORT OF BDO DUNWOODY LIMITED
IN ITS CAPACITY AS MONITOR**

Dated October 21, 2009

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ONTARIO
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INTRODUCTION

1. By Order of this Honourable Court dated May 19, 2009 (the "Initial Order"), W.C. Wood Corporation Ltd., the Canadian operating company ("Wood Canada"), and W.C. Wood Corporation, Inc., the United States operating company and parent of Wood Canada, ("Wood US") (together the "Companies"), obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, ("CCAA Proceedings").
2. On May 25, 2009, this Honourable Court issued an amendment to the Initial Order adding W.C. Wood Holdings, Inc., the parent of Wood US, to the CCAA Proceedings and approving a debtor in possession credit facility (the "DIP Facility") to be provided by the Applicants' current lenders (the "DIP Lenders") in order to finance the working capital requirements of the Companies.
3. On May 29, 2009, the Monitor filed petitions with the United States Bankruptcy Court (the "US Court") for each of the Applicants for the entry of an order recognizing the CCAA Proceedings as "foreign main proceedings," or in the alternative, "foreign non-main proceedings" pursuant to Chapter 15 of the United States Bankruptcy Code.
4. On June 18, 2009, the US Court entered an Order recognizing the CCAA Proceedings as foreign main proceedings, giving the Initial Order and the Amended Initial Order full force and effect in the US, including,
 - (i) approving of the DIP Facility; and

- (ii) extending the stay of proceedings against the Monitor, the Applicants and the Applicants' former, current or future officers and directors in the US.
5. By Order of this Honourable Court dated June 19, 2009, revisions to the DIP Facility were approved.
6. By Order dated July 28, 2009, this Honourable Court approved of a sale of the interest of Wood US of its Mexican Business (as defined in the Initial Order) and revisions to the DIP Facility.
7. By two Orders of this Honourable Court both dated August 28, 2009:
 - (a) the Initial Order was further amended to, among other things:
 - (i) halt the sale process of the Mexican Business;
 - (ii) increase the Monitor's powers to include, without limitation, the power to control the Companies' receipts and disbursements and deal with the sale of the Companies' assets;
 - (iii) create a fifth-ranking charge in favour of the Monitor; and
 - (iv) provide broader protection to the Companies' current and former officers and directors;
 - (b) the stay period was extended until September 30, 2009;
 - (c) the First Report of the Monitor dated May 24, 2009, the Second Report of the Monitor dated June 16, 2009, the Third Report of the Monitor dated July 22, 2009 (the "Third Report"), the Fourth Report of the Monitor dated August 25, 2009, and the Monitor's activities set out therein, were approved; and
 - (d) the fees of the Monitor and its counsel through August 14, 2009 and August 15, 2009, respectively, were approved.
8. By Order of this Honourable Court dated September 28, 2009 (the "September 28 Order"), the stay period was extended to October 30, 2009 so that the Companies could proceed with entering into an agreement of purchase and sale with one of the offerors involved in the Companies' going concern sales process (the "Going Concern Sales Process"), as defined in the sixth report of the Monitor dated September 25, 2009 (the "Sixth Report"), which is to be completed no later than October 30, 2009.
9. By Order of this Honourable Court dated October 5, 2009, the sale and vesting of the Companies' Dehumidifier Business assets (the "Dehumidifier Business") as described in the Seventh Report of the Monitor dated October 2, 2009 (the "Seventh Report") was approved.

10. The purpose of this Report is to provide this Honourable Court with information in respect of the:
 - (a) sale of the Dehumidifier Business;
 - (b) Companies' cash flow results relative to forecast; and
 - (c) Going Concern Sales Process.

SALE OF THE DEHUMIDIFIER BUSINESS

11. On October 7, 2009 the Monitor received the balance of the sale proceeds totaling \$1.9 million (the "Closing Proceeds") from the purchaser. The sale of the Dehumidifier Business was completed and the Monitor issued the Monitor's Certificate to the purchaser. A copy of the Monitor's Certificate is attached as Schedule "A".
12. The Monitor paid to the DIP Lenders the Closing Proceeds net of the Holdback (described below) and net of a success fee of approximately \$150,000, which was agreed to be paid to the Companies' transaction advisor for the sale of the Dehumidifier Business.
13. Pursuant with the terms of the asset purchase agreement, the Monitor continues to hold a balance of \$200,000 (the "Holdback"), received from the purchaser on closing, and is to be held pending completion of the Transaction Services Agreement by Wood Canada, the details of which were described in the Seventh Report.
14. Pursuant with the Transaction Services Agreement, Wood Canada has received an advance payment from the Purchaser to fund the continuing operations of the Dehumidifier Business on behalf of the purchaser. The completion of the Transaction Services Agreement is dependent on the Companies' ability to continue operations, which is discussed below.

CASH FLOW RESULTS RELATIVE TO FORECAST

15. Attached as Schedule "B" to this Report is a detailed schedule of the Companies' cash receipts and disbursements for the period from May 19, 2009 to October 10, 2009 with a comparison to the cumulative total of cash flow forecasts, which consist of:
 - (a) the cash flow forecasts filed with this Honourable Court in connection with the commencement of the CCAA Proceedings;

- (b) the first revised cash flow forecasts prepared on July 1, 2009 included in the Third Report; and
- (c) the second and third revised cash flow forecasts, which were discussed and included in the Fifth Report of the Monitor dated August 27, 2009 (the "Fifth Report").
- (d) The fourth revised cash flow forecasts, which were included in the Sixth Report. The Monitor reported on the Companies' cash receipts and disbursements up until September 19, 2009 in the Sixth Report.

16. A summary of the cash receipts and disbursements and DIP Facility loan balances for Wood Canada and Wood US for the period September 20, 2009 to October 10, 2009 is presented below.

Schedule of Actual Cash Flow Compared to Forecast				
September 20th to October 10th				
	CANADA		US	
	Actual	Forecast	Actual	Forecast
	CADS '000		USDS '000	
Total Receipts	\$ 3,356	\$ 4,221	\$ 2,441	\$ 1,500
Total Disbursements	\$ 2,352	\$ 2,345	\$ 1,702	\$ 1,813
Cash Surplus (Deficit)	\$ 1,003	\$ 1,875	\$ 739	\$ (313)
DIP Loan Balance	\$ 3,561	\$ 2,551	\$ 3,828	\$ 4,886

17. Overall net cash inflow was below forecast by approximately \$872,000 in Canada and exceeded forecast by approximately US\$1,052,000 in the US. The material components of these overall variances are outlined below.

Accounts Receivable Collections

18. Collections from customers were below forecast by approximately \$202,000 in Canada and exceeded forecast by approximately US\$532,000 in the US due to timing differences.

Non Operating Receipts

19. Non operating receipts were lower than forecast in Canada by approximately \$600,000 for payment to the US of approximately \$400,000 for its share of proceeds from the sale of the Dehumidifier Business, and also due to the net proceeds received being \$200,000 less than forecast due to a holdback by the Monitor for payment of a success fee to the transaction advisor on the sale, which was originally forecast to be recorded as professional fees (see Administrative Expenses below).

Material purchases

20. Payments for materials exceeded forecast by approximately \$173,000 in Canada and were below forecast by approximately US\$106,000 in the US. The negative variance in Canada was due to timing differences on various material purchases and the positive variance in the US was due to the lack of sufficient loan availability to make projected purchases.

Overhead Costs

21. Overhead costs exceeded forecast by approximately \$79,000 in Canada due to higher than expected freight costs.

Administrative Expenses

22. Administrative expenses were below forecast in Canada by approximately \$212,000 as the success fee on the sale of the Dehumidifier Business was paid directly by the Monitor from the gross proceeds of sale.

GOING CONCERN SALES PROCESS

23. As reported in the Fifth Report, in late July the Companies retained a transaction advisor (the "Transaction Advisor") to manage the Going Concern Sale Process for the sale of the Companies' core business operations. Originally, the process had been anticipated to take place over eight to twelve weeks. However, as a result of the failure to complete the sale of the Companies' Mexican Business and the resulting constraints on the Companies' cash flow, it was necessary to complete the Going Concern Sales Process as soon as possible. As described in the Fifth Report, the Transaction Advisor commenced the marketing and solicitation of the Going Concern Sales Process by sending a sales teaser to approximately 100 identified parties. A confidential information memorandum was completed and sent out to approximately 40 parties who had signed a confidentiality agreement. An electronic data room was prepared on CD and sent to interested parties and the Companies' management ("Management") prepared an 18 month business plan, which was sent out to interested parties in late August. Seven parties submitted inquiries and engaged in discussions with Management. Two letters of intent were received during the week of September 21, 2009: one from a party solicited by the Transaction Advisor and one from a party referred by the DIP Lenders. Both letters of intent contemplated a closing by or shortly after October 31, 2009.
24. Although the Companies' Revised DIP Facility expired on September 30, 2009, the DIP Lenders were supportive of the Companies continuing the Going Concern Sales Process as long as the risk to their collateral was minimized by continuing operations on a limited basis.

25. The September 28 Order granted an extension to the stay period of the CCAA proceedings of the Companies' to October 30, 2009 and directed the Applicants "to proceed in accordance with the following milestones:
- (a) An agreement of purchase and sale in respect of all of the Applicants' assets being marketed through the Going Concern Sales Process shall be signed and the deposit associated therewith received by October 9, 2009;
 - (b) All conditions of closing the above described agreement of purchase and sale shall be met or waived by October 23, 2009; and
 - (c) Closing of the transaction contemplated in the above described agreement of purchase and sale shall be scheduled for, and occur no later than October 30, 2009.

In the event that any of the milestones listed above are not met, the Lenders are no longer bound by any stay..."

26. A nonbinding letter of intent, and a draft unsigned asset purchase agreement (the "Offer") without a deposit was received from one of the interested parties (the "Offeror") on October 9. The other interested party has confirmed that it no longer has any interest in the Going Concern Sales Process.
27. As reported in the Sixth Report, during September 2009 liquidators had been asked to inspect the Companies' inventory and equipment in Canada and the US and to submit liquidation proposals. Since June, the Companies' realty in Guelph and Ohio has been listed for sale with commercial realty brokers. Based on the liquidation proposals, and the realtors' indications of value and expressions of interest received to date, the Monitor has prepared an estimate of the net liquidation proceeds, which showed that the DIP Lenders may be paid out in full.
28. The purchase price in the Offer, net of commissions and charges in priority to the DIP Lenders was approximately the same as the estimated liquidation proceeds. In addition, the Offer was subject to a number of conditions, including the purchaser obtaining satisfactory financing, that the purchase price would be subject to a working capital price adjustment, which was to be determined on closing, and the Purchaser being able to obtain a satisfactory extension to the Companies' licensing agreement with Whirlpool Corporation. The date to waive conditions and closing of the transaction was to be no later than December 15, 2009.
29. The Monitor discussed the Offer with Management, the DIP Lenders and the Transaction Advisor. The DIP Lenders were concerned that the purchase price may not be sufficient to pay out their loans, the uncertainty of closing, and the risk to their collateral while funding the Companies' operations during a lengthy conditional period. The DIP Lenders were willing to consider the Offer subject to the following revisions:

- (i) offer price be increased;
 - (ii) working capital adjustment to be eliminated;
 - (iii) transaction to be completed by October 31, 2009; and
 - (iv) the Offeror would be given until October 16, 2009 to submit a final signed agreement of purchase and sale.
30. The Monitor instructed the Transaction Advisor to immediately pass on these requests to the Offeror. During the week of October 12 to October 16, the Monitor had a number of further discussions with the Transaction Advisor and Management regarding the status of the Offer. Management believed that the closing of the sale could be completed by November 30, 2009.
31. On October 15, 2009 Management prepared extended revised cash flow forecasts and borrowing base calculations for Canada and the US (the “Extended Cash Forecasts”) to show the Companies’ funding requirements to support continuing operations and the impact to the collateral of the DIP Lenders from October 10 to the projected closing date of the sale on November 30, 2009. A copy of the Extended Cash Forecasts is attached as Schedule “C”.
32. A summary of the Extended Cash Forecasts is as follows:

	Canada (CAD\$)			US (US\$)		
	Actual	Forecast	Change	Actual	Forecast	Change
	Oct 10	Nov 28		Oct 10	Nov 28	
Net Accounts Receivable	\$ 3,431,011	\$ 730,705	\$ (2,700,306)	\$ 2,352,615	\$ 1,686,214	\$ (666,401)
Net Inventory	4,441,745	4,504,983	63,238	3,956,542	3,758,828	(197,714)
Total			(2,637,068)			(864,115)
Loan Balance	3,560,544	2,092,053	(1,468,491)	3,827,560	3,127,800	(699,760)
Net exposure			(1,168,577)			(164,355)
Loan Availability	913,197	113,787	(799,410)	367,317	400,731	33,414

33. The Extended Cash Forecasts show that the Dip Lenders’ collateral (primarily accounts receivable) would be reduced by approximately \$1.1 million more than its loan balance would be reduced (“Net Exposure”) in Canada during the period from October 10 to November 30, 2009. In addition, the loan availability in Canada is forecast to decrease by almost \$800,000 during this period.
34. On the morning of October 16, 2009, the Offeror submitted a final offer letter (the “Revised Offer Letter”), which revised the terms of the Offer as follows:
- (i) offer price was increased;
 - (ii) working capital adjustment was simplified but would not be capped; and

- (iii) conditional period and closing date were to be completed by November 30, 2009
35. On the afternoon of October 16, the Monitor discussed the Extended Cash Forecasts and the Revised Offer Letter with the DIP Lenders. Although the revised purchase price was estimated to pay out the DIP Lenders' current loans, the DIP Lenders advised that the potential of a significant reduction to the purchase price as a result of the unlimited working capital adjustment, the continuing uncertainty of closing until November 30, 2009 and the resultant risk to the collateral based on the Extended Cash Forecasts was not acceptable to the DIP Lenders.
36. Following this discussion, the DIP Lenders advised Management that they would not consider the Revised Offer Letter unless the Offeror provided a nonrefundable cash deposit of US\$2.5 million by October 19, 2009 and the working capital adjustment was to be limited to any decrease in the loan balances owed to the DIP Lenders between now and closing of the transaction.
37. Late on the afternoon of October 16, 2009, the Monitor attended a conference call with Offeror and the Transaction Advisor. During the call the Offeror advised that it would not agree to these conditions and that the Revised Offer Letter represented its full and final offer.
38. On October 19, 2009, Management prepared revised extended cash forecasts and borrowing base calculations for Canada and the US (the "Revised Extended Cash Forecasts"), which were based on the Companies' borrowing base certificates as at October 17, 2009. The DIP loan balances as at October 17, 2009 were CDN\$2.4 million and US\$3.3 million. Management advised that the Revised Extended Cash Forecasts reflected changes to the assumptions in the Extended Cash Forecasts including the timing of collections, the calculations of volume discounts and the estimate of ineligible amounts. A copy of the Revised Extended Cash Forecasts is attached as Schedule "D".
39. A summary of the Revised Extended Cash Forecasts is as follows:

	Canada (CAD\$)			US (US\$)		
	Actual Oct 17	Forecast Nov 28	Change	Actual Oct 17	Forecast Nov 28	Change
Net Accounts Receivable	\$ 2,596,815	\$ 2,158,651	\$ (438,164)	\$ 2,182,967	\$ 1,617,037	\$ (565,930)
Net Inventory	4,208,730	4,272,882	64,152	4,136,390	4,209,169	72,779
Total			(374,012)			(493,151)
Loan Balance	2,408,152	2,652,712	244,560	3,334,410	3,064,978	(269,432)
Net exposure			(618,572)			(223,719)
Loan Availability	1,235,796	646,548	(589,248)	883,974	540,955	(343,019)

40. The Revised Extended Cash Forecasts show improved results in Canada compared to the Extended Cash Forecasts, however the DIP Lenders' collateral will decrease by approximately \$374,000 and the loan balance will increase by approximately \$254,000 from October 17 to November 30, 2009, which results in a Net Exposure to the DIP Lenders of approximately \$619,000. Loan availability is projected to decrease by approximately \$589,000 in Canada during the same period, which is an improvement of approximately \$210,000 compared to the Revised Cash Forecasts. The Net Exposure and reduction in loan availability in the US is projected to worsen in the Revised Extended Cash Forecasts compared to the Extended Cash Forecasts by approximately US\$60,000 and US\$310,000 respectively. In summary, the Revised Extended Cash Forecasts show that the DIP Lenders collateral position and loan availability will significantly decrease from October 17 to November 30, 2009.

CONCLUSIONS AND RECOMMENDATION

41. The Companies carried out a Going Concern Sales Process as it was seen as leading to the best outcome for recovery to the company's creditors, and would allow for continuing operations, which would benefit the Companies' employees, suppliers, and customers.
42. The Companies' Going Concern Sales Process results are limited to the receipt of a sole conditional offer. The Transaction Advisor advises that they are not aware of any other interested parties who have expressed interest and capable of completing a going concern transaction by October 31, 2009.
43. The purchase price in the Revised Offer Letter is approximately the same as the estimated liquidation value of the Companies' assets, and is unlikely to result in any recovery for unsecured creditors. As discussed above, the working capital adjustment set forth in the Revised Offer Letter could reduce the purchase price to an extent that net proceeds would not be sufficient to repay the DIP Facility in full.
44. A significant condition of the offer was that it was subject to the Offeror receiving satisfactory financing by November 30, and therefore at this time the Monitor cannot be certain that the Offeror has the financial means to close this transaction.
45. The Monitor reviewed the Revised Offer Letter with the DIP Lenders. The DIP Lenders did not favour acceptance of the offer principally for the following reasons:
 - (a) When commissions and the potential affect of the working capital adjustments are factored in the DIP Lenders were concerned that the Revised Offer Letter would be insufficient to repay the DIP facility in full, and may yield less than liquidation proposals;

- (b) The Extended Cash Forecasts and the Revised Extended Cash Forecasts for the Companies indicated to the DIP Lenders that their collateral would be diminishing, through the erosion of the value of accounts receivable, pending the closing of the transaction described in the Revised Offer Letter;
 - (c) The Revised Offer Letter was conditional in nature and the DIP Lenders had no certainty of the Offeror's ability to close; and
 - (d) There was no deposit offered.
46. The DIP Lenders have no continuing obligation to fund the Companies on a going concern basis. The DIP Lenders have indicated that they are not willing to fund the Companies on a going concern basis pending the closing of the Revised Offer Letter and without the continuing support of the DIP Lenders the Companies have no ability to continue to pay for goods and services on a go forward basis.
47. The Monitor is not in a position to recommend the Revised Offer Letter in the face of the concerns raised by the DIP Lenders who are key stakeholders and it is their money at risk. As well, the Monitor is not in a position to recommend the Revised Offer Letter in the circumstances where there is no funding available to the Companies to permit continued operation until closing. As there is no other offer at hand the Monitor has concluded that the Companies' Going Concern Sales Process has not been successful, and has reached an end.

LIQUIDATION PROCESS

48. Given the withdrawal of funding the Companies have already taken steps to cease production. As there is no apparent viable going concern sale the Monitor recommends that the business of the Applicants be wound down and the assets of the Applicants offered for sale or realized upon on a piece mail basis in a manner substantially as set forth below (the "Liquidation Process"):
- (a) The Monitor will immediately take control of all receipts and disbursements of the Applicant as was provided for pursuant to paragraph 29(a) of the Amended Initial Order;
 - (b) The manufacturing operations of the Applicants will be shut down although the Applicants may complete certain work in process where the Monitor determines that minimal work or expenditures are required to create finished goods;
 - (c) The Applicants, under the direction of the Monitor, will continue to sell its inventory and collect its accounts receivable during the Liquidation Process;

- (d) The Applicants, or the Monitor on behalf of the Applicants, may terminate the services of any employees where the services of such employee are no longer required to complete the Liquidation Process;
- (e) The Monitor shall immediately seek bids on a parcel by parcel basis, as such parcels may be determined by the Monitor, for the sale of the Applicants' equipment, inventory, intellectual property and/or accounts receivable. Such bids may be in the form of an Offer to Purchase or an agreement to liquidate any parcel.
- (f) The Monitor will solicit offers for parcels in the following manner:
 - (i) The Monitor will distribute to prospective purchasers a solicitation letter detailing the parcels, which may require a confidentiality agreement for any proposed purchaser;
 - (ii) The Monitor shall place an advertisement regarding the sale of the parcels in the Globe & Mail and any other newspaper or publications as the Monitor shall deem appropriate;
 - (iii) The Monitor shall facilitate site visits by any prospective purchaser to inspect the assets available for purchase;
 - (iv) The Monitor working with legal counsel shall draft and circulate to prospective purchasers a draft asset purchase agreement or liquidation sale agreement;
 - (v) The Monitor will require prospective purchasers to submit offers within 10 business days of the first publication of the request for offers;
 - (vi) The Monitor shall have the right to reject any and all offers, including the best offer, and to terminate or amend the sale process in respect of any parcel as it may consider appropriate;
 - (vii) The Monitor may review all offers received with CIT and the DIP Lenders; and
 - (viii) The Monitor will seek Court approval of any sale in excess of \$250,000.
- (g) The Monitor will continue listings of the real property of the Applicants, or (at the Monitor's discretion) may cancel such listings and re-list with other brokers on the same or other terms.

RECOMMENDATION

49. The Monitor respectfully recommends that this Honourable Court grant an Order approving the Liquidation Process as defined in this Report

Dated October 21, 2009

BDO DUNWOODY LIMITED,
in its capacity as Court-Appointed Monitor of
W.C. WOOD CORPORATION, LTD.,
W.C. WOOD CORPORATION, INC. and
W.C. WOOD HOLDINGS, INC.
And not in its personal capacity

Per:



Ken Pearl
Vice President

SCHEDULE "A"

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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. AND
W.C. WOOD CORPORATION, INC. (together the "Applicants" or "W.C. Wood")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (the "Court") dated May 19, 2009, BDO Dunwoody Limited was appointed as the monitor (the "Monitor") in the Applicants' proceedings under the *Companies Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended.

B. Pursuant to an Order of the Court dated October 5, 2009, the Court approved the agreement of purchase and sale made as of September 25, 2009 (the "Sale Agreement") between W.C. Wood Corporation, Ltd. (the "Vendor") and Fantech Limited (the "Purchaser") and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.


C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate may be executed and delivered by facsimile transmission or by emailed PDF, which shall be deemed to be an original for all purposes.
5. This Certificate was delivered by the Monitor at 4:30^{PM} on October 7, 2009.

**BDO Dunwoody Limited, in its capacity as
Court-appointed Monitor and not in its
personal capacity**

Per:


Name: Ken PEARL
Title: VICE PRESIDENT

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

MONITOR'S CERTIFICATE

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Solicitors for BDO Dunwoody Limited

SCHEDULE "B"

WC WOOD - CANADA
Cash Flow Variance Analysis

	May 19th to September 19th			September 20th to October 10th			May 19th to October 10th		
	Actual	Forecast	Variance \$	Actual	Forecast	Variance \$	Actual	Forecast	Variance \$
Receipts									
AR Collections	\$ 17,626,518	\$ 17,637,162	\$ (10,644)	\$ 2,042,500	\$ 2,244,911	\$ (202,411)	\$ 19,462,018	\$ 19,462,073	\$ (213,055)
Non Operating Sources	180,059	-	180,059	1,727,792	1,933,648	(205,856)	1,907,851	1,833,646	(253,795)
Intercompany In-Out	16,736	86,620	(69,884)	36,712	42,000	(5,288)	53,419	128,620	(75,201)
Change in Interco	(833,334)	833,334	-	(451,306)	-	(451,306)	(451,306)	(833,334)	382,028
Equity, T Debt Funding	530,856	525,000	5,856	-	-	-	530,856	525,000	5,856
Total Receipts	18,354,139	17,415,448	938,691	3,355,699	4,220,557	(864,858)	21,709,838	21,636,005	73,833
Disbursements									
Payroll	5,795,989	5,160,574	635,414	604,692	637,699	(33,297)	6,404,379	5,798,473	(605,965)
Material Purchases									
Steel	1,100,389	1,032,032	(68,356)	115,255	75,000	(40,255)	1,215,643	1,107,632	(55,245)
Compressor	1,180,213	1,368,930	188,717	165,655	183,096	17,441	1,345,869	1,552,026	206,157
Paint	168,481	295,000	126,519	-	30,000	30,000	168,481	325,000	156,519
Plastic	626,528	775,000	148,372	93,860	75,000	(18,860)	720,518	850,000	129,482
Foams	550,008	722,500	172,492	91,619	40,000	(51,619)	641,627	762,500	120,873
Carboard	252,363	184,000	(68,363)	29,404	60,000	30,596	281,768	244,000	(37,768)
All Other Vendors	2,775,360	5,193,700	2,418,351	321,913	181,197	(140,716)	3,097,262	5,374,897	2,277,635
Total Material Purchases	6,653,431	9,517,162	2,917,731	817,737	644,293	(173,444)	7,417,902	10,215,455	2,797,654
Production Risk Payments									
Accelor	210,761	218,000	7,239	-	-	-	210,761	218,000	(46,127)
Compressor	129,191	444,301	315,110	-	-	-	129,191	444,301	315,110
Other	-	-	-	-	-	-	-	-	-
Total Production Risk Payments	339,952	662,301	322,349	-	-	-	339,952	662,301	268,863
Overhead Costs									
Utilities	393,218	501,668	108,440	177,194	181,303	4,109	570,411	682,961	112,549
Real Estate and Property Taxes	113,192	175,810	62,618	60,533	78,033	17,500	176,726	253,943	74,218
Maintenance	162,302	207,048	44,746	9,801	22,500	12,699	112,163	229,548	117,444
Manufacturing Supplies	50,971	86,087	35,116	8,557	13,500	4,943	58,528	99,587	40,059
Scrap	-	26,000	26,000	-	-	-	-	26,000	26,000
Warmny	266,855	421,644	155,089	82,517	70,000	(12,517)	348,372	491,944	142,572
Variable Marketing	162,589	384,201	220,662	-	40,000	40,000	163,589	424,261	260,662
Royalties - pd qtrly	51,694	53,733	2,039	-	-	-	51,694	53,733	2,039
Freight	1,658,633	1,082,563	(616,270)	364,921	159,337	(145,584)	2,003,754	1,241,900	(761,855)
Rebate	-	300,000	300,000	-	-	-	-	300,000	300,000
Total Overhead Costs	2,846,664	3,239,203	392,538	543,523	564,673	(16,850)	3,450,188	3,863,876	313,688
Administrative									
Travel	12,839	74,367	61,528	-	750	750	12,839	75,147	62,309
Professional Fees under Administration Charge	333,143	339,687	6,544	48,916	295,000	246,084	362,059	624,687	242,628
Professional Fees and Advisors	433,644	469,208	35,563	63,754	63,754	(63,754)	467,395	469,208	(28,190)
Marketing	-	101,689	101,689	-	-	-	-	101,689	101,689
PST/GST/QST	627,385	20,897	(606,488)	61,029	85,000	23,971	688,415	105,897	(582,518)
Other SGA	298,555	300,638	2,062	79,024	75,000	(4,024)	377,579	375,638	(1,941)
Interest expense	153,636	239,237	84,601	33,916	52,759	18,843	227,452	290,696	63,544
Total Administrative	1,668,203	1,544,753	(354,450)	266,539	488,509	211,970	2,165,742	2,043,762	(142,480)
Float - pre filing disbursements	-	300,000	300,000	-	-	-	-	300,000	300,000
Total Disbursements	17,538,938	20,477,993	2,939,055	2,352,491	2,345,374	(7,117)	19,891,428	22,823,367	2,931,938
Net Cash Flow	\$ 815,202	\$ (3,062,544)	\$ 3,877,746	\$ 1,003,208	\$ 1,875,183	\$ (871,975)	\$ 1,818,410	\$ (1,187,361)	\$ 3,005,771

WC WOOD - US
Cash Flow Variance Analysis

	May 19th to September 19th			September 20th to October 10th			May 19th to October 10th		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance
Receipts									
AR Collections	\$ 15,195,901	\$ 18,149,260	\$ (3,153,359)	\$ 2,032,793	\$ 1,500,377	\$ 532,416	\$ 17,228,694	\$ 19,849,637	\$ (2,620,943)
Non-Oper Sources	613,771	48,000	565,771	7,149	-	7,149	620,620	48,000	572,620
Intercompany (IN & OUT)	-	765,000	(765,000)	403,771	-	403,771	400,771	705,000	(304,229)
Change in Intercompany Est Prof Fees	-	(30,000)	30,000	-	-	-	-	(30,000)	30,000
Equity/CT Debt Funding	500,000	2,100,000	(2,200,000)	-	-	-	500,000	2,100,000	(2,200,000)
Total Receipts	16,309,672	21,772,260	(5,462,588)	2,440,723	1,500,377	940,346	18,750,395	23,272,637	(4,522,242)
Disbursements									
Payroll	3,728,487	4,054,000	325,603	504,527	446,245	58,282	4,233,014	4,500,335	267,321
Material Purchases									
Steel	505,752	581,981	76,229	66,812	50,000	(16,812)	572,564	631,981	59,417
Compressy	171,361	1,065,950	894,589	20,675	153,037	131,422	192,036	1,218,047	1,026,011
Paint	132,670	470,000	337,330	-	25,000	25,000	132,670	475,000	342,330
Plastic	420,971	725,000	304,029	22,212	50,000	27,788	443,163	775,000	331,817
Feams	441,777	713,000	271,223	35,200	40,000	4,800	476,977	753,000	276,023
Cardboard	2,148,822	360,000	1,488,822	12,481	40,000	27,519	223,943	400,000	176,057
All Other Vendors	2,754,420	5,390,062	2,635,642	288,112	194,598	(93,514)	3,042,532	5,594,860	2,542,128
Total Material Purchases	4,638,433	9,305,993	4,667,560	445,472	551,995	106,223	5,083,905	9,857,688	4,773,783
Production Risk Payments									
Antiox	105,424	472,582	367,158	-	-	-	105,424	472,582	367,158
Compressor	144,806	148,088	3,282	30,287	16,337	(13,950)	175,110	164,425	(10,685)
Other	-	-	-	-	-	-	-	-	-
Total Production Risk Payments	250,230	620,670	370,420	30,287	16,337	(13,950)	280,537	637,007	356,470
Overhead Costs									
Utilities	257,208	341,100	83,892	66,866	45,000	(21,866)	324,014	386,100	62,086
Real Estate and Property taxes, Insurance	143,173	151,168	7,995	-	35,000	35,000	143,173	186,168	42,995
Maintenance	104,992	93,699	(11,293)	29,247	11,250	(17,997)	134,239	104,949	(29,290)
Manufacturing Supplies	21,578	67,088	45,510	-	4,500	4,500	21,578	71,568	50,010
Scrap	-	10,760	10,760	-	-	-	-	10,760	10,760
Warranty	614,153	1,182,468	568,315	151,782	195,750	43,968	765,533	1,378,218	612,282
Variable Marketing	230,090	428,124	198,028	-	-	-	230,090	428,124	198,028
Royalties - pd only	503,877	581,412	77,535	-	-	-	503,877	581,412	77,535
Freight	1,246,231	1,047,865	(198,366)	250,449	222,078	(28,371)	1,496,690	1,289,943	(206,737)
Rebate	273,542	455,000	181,458	63,127	60,000	(3,127)	350,689	515,000	158,311
Total Overhead Costs	3,394,850	4,358,684	963,833	581,412	573,576	(7,834)	3,976,262	4,932,262	956,000
Administrative									
Travel	17,774	117,967	100,193	-	4,500	4,500	17,774	122,467	104,693
Professional Fees under Administration Charge*	405,997	446,292	40,295	32,409	145,500	113,091	438,409	591,792	153,386
Professional Fees and Advisors	363,185	440,292	77,107	-	-	-	363,185	440,292	77,107
Marketing	10,560	246,120	235,551	-	3,000	3,000	10,560	249,120	238,551
Other SGA	241,159	292,894	41,735	73,217	72,600	(617)	314,375	356,494	41,119
Interest expense	215,955	325,705	109,711	34,664	-	-	250,859	325,705	74,847
Total Administrative	1,254,678	1,659,271	404,593	140,490	225,600	85,110	1,395,168	2,064,871	669,703
Float - Pre filing disbursements	-	200,000	200,000	-	-	-	-	200,000	200,000
Total Disbursements	13,266,899	20,398,708	7,132,009	1,702,187	1,813,455	111,268	14,968,885	22,212,163	7,243,277
Net Cash Flow	\$ 3,042,973	\$ 1,373,552	\$ 1,669,421	\$ 3,042,973	\$ 1,373,552	\$ 1,669,421	\$ 3,781,510	\$ 1,060,475	\$ 2,721,035

SCHEDULE "C"

W.C. Wood (CANADA)
13 WEEK CASH FLOW

	Actual	1	2	3	4	5	6	7	8	9	10	11	12
	19-Oct	17-Oct	24-Oct	31-Oct	07-Nov	14-Nov	21-Nov	28-Nov	05-Dec	12-Dec	19-Dec	26-Dec	02-Jan
Cash Receipts													
AVR collections	424,563	932,433	946,597	613,865	624,300	629,635	633,742	612,626	482,959	420,653	411,640	381,930	376,579
Non-operational receipts	24,689	47,189	-	21,090	-	210,360	-	-	-	-	-	-	-
Asset proceeds	1,705,000	-	-	-	-	-	-	-	-	-	-	-	-
Discounts	(416,277)	14,000	14,000	14,000	14,000	-	(42,000)	-	-	-	-	-	-
Intercompany settlements	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany settlements (Professional Equity) Debt Financing	1,710,365	988,613	868,592	643,945	638,300	644,035	591,742	612,665	482,959	420,553	415,640	381,930	376,579
Cash Disbursements													
Payroll	62,113	214,804	89,076	214,804	89,076	214,804	89,076	114,804	89,076	214,804	89,076	214,804	89,076
Wages	16,665	28,396	45,885	28,396	45,885	28,396	45,885	28,396	45,885	28,396	45,885	45,885	28,396
Taxes	23,604	39,441	26,723	39,441	26,723	39,441	26,723	34,441	26,723	39,441	26,723	39,441	26,723
Other employee cash	540	-	-	-	-	-	-	-	-	-	-	-	-
Outsourcing	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee expenses	105,998	301,631	146,657	301,631	146,657	301,631	146,657	185,187	146,657	301,631	146,657	301,631	146,657
Material	37,225	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Steel - ArcelorMittal (Draaco)	90,706	50,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Compressors	18,079	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Paint - PPG	43,426	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Plastic components - Sturges	8,842	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Foam - Huntsman	20,030	26,746	92,952	53,634	80,831	25,606	13,028	42,846	48,535	2,946	22,357	72,062	72,062
Shipping material - Nucor	269,306	194,410	224,688	153,634	140,831	25,606	128,028	102,946	123,515	102,946	82,357	72,062	72,062
Mexico inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
All other vendors	-	-	-	-	-	-	-	-	-	-	-	-	-
Production risk payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Steel - ArcelorMittal (Draaco)	-	-	-	-	-	-	-	-	-	-	-	-	-
Compressors	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Factory and channel costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	64,268	-	-	65,000	65,000	-	-	70,000	65,000	-	-	-	5,000
Real Estate Taxes and Insurance	431	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Maintenance	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Manufacturing Supplies	6,064	30,000	70,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Warranty	-	-	-	-	-	-	-	-	-	-	-	-	-
Variable Marketing	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Royalty	88,605	41,046	37,542	37,542	43,620	40,193	38,766	36,766	29,048	33,158	28,048	22,938	20,384
Freight	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates	143,893	94,546	116,042	111,042	142,120	63,693	120,266	115,266	126,548	41,658	51,548	106,438	28,684
SG&A													
Traffic	250	250	250	250	250	250	250	250	250	250	250	250	250
Professional Fees	35,000	35,000	35,000	115,000	55,000	55,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Marketing	40,000	27,500	27,500	22,500	22,500	22,500	40,000	22,500	22,500	22,500	40,000	22,500	22,500
Other SGA	-	-	-	40,000	-	-	-	-	-	-	-	-	-
GST, PST, GST	-	-	-	35,000	-	-	-	-	-	-	-	-	-
Taxes (not income)	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Treat Uses	582,514	685,837	545,167	779,057	507,398	468,680	460,242	486,149	479,530	493,964	345,852	587,681	223,331
Cash Summary													
Receipts	1,710,365	988,613	868,592	643,945	638,300	644,035	591,742	612,665	482,959	420,553	415,640	381,930	376,579
Disbursements	592,514	665,837	545,167	779,057	507,398	468,680	460,242	486,149	479,530	493,964	345,852	587,681	223,331
Net source (use) of cash	1,118,451	322,776	315,405	(130,111)	130,902	175,955	531,500	126,517	13,429	(73,431)	69,789	(215,951)	153,248
Summary													
Loan balance	3,560,544	3,237,031	2,823,340	3,054,354	2,924,095	2,748,469	2,217,718	2,082,053	2,079,084	2,152,541	2,082,901	2,286,976	2,166,391
Availability	913,198	1,071,190	1,038,008	729,920	687,410	487,682	347,206	113,787	(202,696)	(398,042)	(542,094)	(1,010,780)	(1,161,335)
Paint shifts	3 Days	2 Days	3 Days	2 Days	3 Days	2 Days	DOWN	2 Days	3 Days	2 Days	3 Days	DOWN	DOWN
Chests	3 Days	2 Days	3 Days	2 Days	3 Days	2 Days	DOWN	2 Days	3 Days	2 Days	3 Days	DOWN	DOWN
ColdTech	5 Days	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract

W.C. Wood (CANADA)
BORROWING BASE CALCULATION

Actual	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	02-Jan
Accounts Receivable													
Total AR	13,865,638	13,389,547	12,937,721	12,719,630	12,419,304	12,027,094	11,149,754	10,714,568	10,317,756	10,183,578	9,841,404	9,640,828	9,348,043
Intelligibles													
Invoices > 90 days	661,547	361,547	361,547	361,547	361,547	361,547	361,547	361,547	361,547	361,547	361,547	361,547	361,547
Current past due	25,850	25,850	25,850	25,850	23,265	23,265	23,265	23,265	23,265	23,265	23,265	23,265	23,265
Cross-Age	796	796	796	796	796	796	796	796	796	796	796	796	796
Intercompany - USA	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643	6,592,643
Intercompany - Mexico	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988	1,865,988
Foreign accounts	255,237	255,237	255,237	255,237	229,713	229,713	229,713	229,713	229,713	229,713	229,713	229,713	229,713
Chargebacks	43,833	43,833	43,833	43,833	39,450	39,450	39,450	39,450	39,450	39,450	39,450	39,450	39,450
Volume rebates	709,532	709,532	709,532	709,532	709,532	709,532	709,532	709,532	709,532	709,532	709,532	709,532	709,532
Warranty Reserve	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Emp accounts/Sundry	112,834	112,834	112,834	112,834	90,267	72,214	57,771	46,217	46,217	46,217	46,217	46,217	46,217
Service and other Contra. Accts	121,366	121,366	121,366	121,366	97,093	77,675	62,140	45,712	49,712	49,712	49,712	49,712	49,712
Total intelligible	10,454,626	10,154,626	10,154,626	10,154,626	10,075,294	10,037,827	10,007,845	9,983,863	9,983,863	9,983,863	9,983,863	9,983,863	9,983,863
% of total AR	75.3%	75.9%	78.5%	79.8%	81.1%	83.5%	89.8%	93.2%	96.8%	98.0%	100.4%	103.5%	106.8%
Net AR	3,431,011	3,233,921	2,783,054	2,552,004	2,343,910	1,989,271	1,141,910	730,765	333,894	189,716	(42,455)	(335,035)	(632,818)
Advance Rate	85.0%	85%	85%	85%	85.0%	85%	85%	85%	85.0%	85%	85%	85%	85%
Availability from AR	2,916,360	2,748,832	2,365,630	2,183,253	1,992,323	1,690,881	970,673	621,100	283,810	169,758	(36,540)	(284,779)	(540,445)
Inventory													
RM, WIP & FG	4,843,834	4,893,323	4,906,275	5,070,163	4,965,360	4,890,135	4,902,530	4,957,475	4,978,064	4,997,475	4,936,886	4,928,591	4,854,529
Intelligibles													
Slow moving / Obsolete	66,857	61,552	66,045	67,103	66,484	60,914	65,866	64,653	65,648	64,553	63,658	63,160	59,676
Supplies	95,132	90,531	92,251	93,666	92,419	90,287	92,182	91,718	92,089	91,718	91,337	91,145	89,813
Work in process	227,577	284,237	288,971	290,086	289,434	283,965	287,504	287,504	286,553	287,504	286,455	285,931	282,261
Outside Processors													
Returned Goods	12,524	8,544	8,649	8,674	8,692	8,529	8,645	8,617	8,640	8,617	8,593	8,592	8,590
Total intelligible	402,089	444,864	455,917	458,515	456,957	443,295	455,474	452,492	454,943	452,492	450,044	448,815	440,251
% of Inventory	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Net Inventory	4,441,745	4,448,460	4,530,358	4,549,644	4,538,364	4,436,839	4,527,093	4,504,983	4,523,124	4,504,983	4,486,842	4,477,772	4,414,279
Advance rate	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
Availability from Inventory	1,921,499	1,924,404	1,959,833	1,968,176	1,963,296	1,919,377	1,956,616	1,948,856	1,956,703	1,948,856	1,941,068	1,937,384	1,909,617
Fixed assets													
Real Estate	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000
Equipment	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116
Total	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116
Max	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Other reserves	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)	(1,164,115)
Credit cap restrictor:													
Derum sale	7,473,744	7,309,121	6,961,348	6,784,314	6,591,504	6,246,142	5,564,924	5,235,840	4,876,398	4,754,409	4,543,903	4,288,790	4,005,056
Total borrowing base													
Line of credit	4,572,531	3,560,544	3,237,931	2,973,340	3,054,394	2,924,095	2,748,460	2,217,718	2,092,053	2,079,094	2,152,541	2,062,901	2,296,970
Opening balance	22,747												
Exchange Adjustment	93,231												
Other adjustment	593,000												
Advances	(1,710,965)												
Payments	3,560,544	3,237,931	2,923,340	3,054,394	2,924,095	2,748,460	2,217,718	2,092,053	2,079,094	2,152,541	2,062,901	2,296,970	2,166,381
Closing balance													
Availability	3,913,199	4,071,190	4,038,068	3,729,970	3,667,410	3,497,682	3,347,206	3,113,787	2,797,304	2,601,958	2,457,942	1,989,220	1,838,685
(Unused line of credit)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Minimum Balance per Sect 7.27(d)	913,169	1,071,160	1,038,008	728,920	667,410	487,682	347,206	113,787	(202,696)	(398,042)	(542,098)	(1,010,780)	(1,161,335)
Line of credit cap	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Maximum borrowing	3,569,544	3,237,931	2,923,340	3,054,394	2,924,095	2,748,460	2,217,718	2,092,053	2,079,094	2,152,541	2,062,901	2,296,970	2,166,381
Line of credit balance	1,938,456	2,262,069	2,576,680	2,445,696	2,575,905	2,751,540	3,287,287	3,407,947	3,420,906	3,347,459	3,417,096	3,201,030	3,333,609

W.C. Wood (USA)
14 WEEK CASH FLOW

	10-Oct	1	2	3	4	5	6	7	8	9	10	11	12
	Actual	17-Oct	24-Oct	31-Oct	07-Nov	14-Nov	21-Nov	28-Nov	05-Dec	12-Dec	19-Dec	26-Dec	02-Jan
Cash Receipts													
AVR collections	711,911	561,346	391,459	671,601	574,540	434,740	483,524	419,822	443,574	369,368	368,728	331,614	345,921
Non-operational sources	277	-	-	-	-	-	-	-	-	-	-	-	-
Asset proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany settlements	400,495	-	-	-	-	-	40,230	-	-	-	-	-	-
Equity/LLD&N Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Disbursements													
Payroll	1,112,693	561,346	391,458	671,601	574,640	434,740	494,154	419,822	443,974	369,369	368,728	331,614	345,921
Wages	101,960	58,186	118,976	58,186	120,925	58,186	123,525	58,186	123,525	58,186	123,525	58,186	61,873
Taxes	38,557	26,184	56,405	25,184	57,380	26,184	58,550	26,184	58,550	26,184	58,550	26,184	30,806
Benefits	21,225	-	-	-	-	-	-	-	-	-	-	-	-
Other employee costs	1,857	-	-	-	-	-	-	-	-	-	-	-	-
Outsourcing	750	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Employee expenses	164,348	85,870	176,881	85,870	179,905	85,870	183,575	85,870	183,575	85,870	183,575	85,870	94,179
Material	31,316	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	-	-
Steel - ArcelorMittal (Dofasco)	17,722	-	-	-	-	-	-	-	-	-	-	-	-
Compressors	-	-	-	-	-	-	-	-	-	-	-	-	-
Paint - PPG	25,000	-	-	-	-	-	-	-	-	-	-	-	-
Plastic components - Sturgis	15,787	-	20,000	-	50,000	-	50,000	-	50,000	-	50,000	-	-
Foam - Huntsman	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping material - Noramoc	-	20,000	-	-	20,000	-	20,000	-	20,000	-	20,000	-	-
Mexico inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
All other vendors	137,238	-	21,613	-	91,914	-	61,695	-	65,153	-	12,604	-	-
Production risk payments	202,063	-	216,613	-	181,614	-	161,635	-	165,153	-	112,624	-	-
Steel - ArcelorMittal (Dofasco)	-	-	-	-	-	-	-	-	-	-	-	-	-
Compressors	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Factory and channel costs	56,830	-	-	-	60,000	-	-	-	60,000	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes and Insurance	9,263	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Maintenance	38,502	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Manufacturing Supplies	-	70,250	35,250	35,250	35,250	35,250	35,250	35,250	35,250	35,250	35,250	35,250	35,250
Warranty	-	-	-	-	-	-	-	-	-	-	-	-	-
Variable Marketing	-	86,354	-	-	-	-	-	-	-	-	-	-	-
Royalty	31,513	61,723	49,077	45,194	42,560	39,013	35,486	35,466	29,624	35,549	29,624	23,696	20,737
Freight	15,940	46,000	-	-	70,000	-	-	-	70,000	-	-	-	-
Rebates	152,048	327,577	69,577	85,694	233,060	148,625	75,966	75,966	220,124	123,204	72,974	87,049	64,007
SG&A	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Travel	7,117	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
Professional Fees	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Marketing	10,406	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
Other SGA	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes (not income)	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	3,106	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200
Total Uses	539,088	458,647	528,271	216,764	705,979	279,695	457,937	198,536	671,552	245,654	495,853	209,619	194,966
Cash Summary													
Receipts	1,112,693	561,346	391,458	671,601	574,640	434,740	494,154	419,822	443,974	369,369	368,728	331,614	345,921
Disbursements	539,088	458,647	528,271	216,764	705,979	279,695	457,937	198,536	671,552	245,654	495,853	209,619	194,966
Net source (use) of cash	573,595	102,699	(136,813)	454,837	(131,339)	155,044	36,218	221,286	(227,578)	122,515	(37,125)	121,995	150,955
Summary													
Loan balance	3,827,560	3,725,214	3,852,756	3,408,155	3,539,515	3,384,776	3,348,621	3,127,800	3,355,826	3,233,456	3,270,728	3,149,114	2,988,193
Availability	369,318	429,170	314,957	478,953	257,174	308,155	292,931	400,731	86,468	133,968	62,801	65,288	107,173
Print status	DOWN	3 days	DOWN	3 days	DOWN	3 days	DOWN	3 days	DOWN	3 days	DOWN	DOWN	DOWN

SCHEDULE "D"

V.C. Wood (CANADA)

4 WEEK CASH FLOW

Canadian dollars)

	Actual 10-Oct	Actual 17-Oct	1 24-Oct	2 31-Oct	3 07-Nov	4 14-Nov	5 21-Nov	6 28-Nov
Cash Receipts								
A/R collections	404,553	1,531,750	410,594	259,356	515,199	418,630	837,960	386,388
Non-operational sources	24,689	575	-	-	82,312	-	-	-
Asset proceeds	1,700,000	-	-	-	-	-	200,000	-
Discounts	-	-	-	-	-	-	-	-
Intercompany settlements	(418,277)	-	-	-	-	-	(42,000)	-
Intercompany settlements (Professional	-	-	28,000	14,000	14,000	14,000	-	-
Equity/LT Debt Financing	-	-	-	-	-	-	-	-
	1,710,965	1,532,325	438,594	273,356	611,511	432,630	995,960	386,388
Cash Disbursements								
Payroll								
Wages	62,113	188,364	89,078	214,804	89,078	214,804	89,078	114,804
Taxes	19,655	68,440	29,396	45,885	29,396	45,885	29,396	34,441
Benefits	23,004	16,252	22,270	32,221	13,362	32,221	13,362	17,221
Other employee costs	540	379	-	-	-	-	-	-
Outsourcing	-	-	-	-	-	-	-	-
Employee expenses	596	-	1,500	1,500	1,500	1,500	1,500	1,500
	105,908	273,435	142,243	294,410	133,335	294,410	133,335	167,966
Material								
Steel - ArcelorMittal (Dofasco)	37,225	-	25,000	25,000	25,000	-	25,000	25,000
Compressors	90,706	-	-	-	-	-	-	-
Paint - PPG	-	-	15,000	-	-	-	15,000	-
Plastic components - Sturgis	18,079	-	20,000	20,000	20,000	-	20,000	20,000
Foam - Huntsman	43,426	-	-	40,000	-	-	40,000	-
Shipping material - Norampac	8,840	-	15,000	15,000	15,000	-	15,000	15,000
Mexico Inventory	-	61,633	92,952	-	-	-	-	-
All other vendors	70,030	-	56,747	53,634	80,831	25,606	13,028	42,946
	268,306	61,633	224,698	153,634	140,831	25,606	128,028	102,946
Production risk payments								
Steel - ArcelorMittal (Dofasco)	-	-	-	-	-	-	-	-
Compressors	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Factory and channel costs								
Utilities	64,288	-	-	65,000	65,000	-	-	70,000
Real Estate Taxes and Insurance	-	757	-	-	-	-	-	-
Maintenance	431	-	5,000	5,000	5,000	5,000	5,000	5,000
Manufacturing Supplies	4,595	-	3,500	3,500	3,500	3,500	3,500	3,500
Warranty	6,064	-	70,000	-	-	-	75,000	-
Variable Marketing	-	21,895	-	-	25,000	-	-	-
Royalty	-	-	15,000	-	-	15,000	-	-
Freight	68,605	3,136	72,542	37,542	43,620	40,193	36,766	36,766
Rebates	-	-	-	-	-	-	-	-
	143,983	25,788	166,042	111,042	142,120	63,693	120,266	115,266
SG&A								
Travel	-	-	250	250	250	250	250	250
Professional Fees	58,145	-	65,000	131,500	55,000	55,000	25,000	25,000
Marketing	-	-	-	-	-	-	-	-
Other SGA	16,173	17,421	31,500	22,500	22,500	22,500	37,500	22,500
GST, PST, QST	-	-	-	133,000	-	-	-	-
Taxes (not income)	-	-	-	-	-	-	-	-
Interest expense	-	-	-	35,000	-	-	-	35,000
	74,318	17,421	96,750	322,250	77,750	77,750	62,750	82,750
Total Uses	592,514	378,277	629,733	881,336	494,036	461,459	444,380	468,928
Cash Summary								
Receipts	1,710,965	1,532,325	438,594	273,356	611,511	432,630	995,960	386,388
Disbursements	592,514	378,277	629,733	881,336	494,036	461,459	444,380	468,928
Net source (use) of cash	1,118,451	1,154,048	(191,139)	(607,980)	117,475	(28,829)	551,580	(82,540)

V.C. Wood (CANADA)
BORROWING BASE CALCULATION

1.0444

1.0382

	Actual 10-Oct	Actual 17-Oct	1 24-Oct	2 31-Oct	3 07-Nov	4 14-Nov	5 21-Nov	6 28-Nov
Accounts Receivable								
Total AR	13,885,638	12,677,210	12,658,258	12,790,545	12,703,482	12,730,946	11,841,138	11,854,475
Ineligibles								
Invoices > 90 days	661,547	283,796	283,796	283,796	283,796	283,796	283,796	283,796
Credits past due	25,850	29,638	29,638	29,638	26,674	26,674	26,674	26,674
Cross-Age	796	-	-	-	-	-	-	-
Intercompany - USA	6,592,643	6,669,385	6,669,385	6,669,385	6,669,385	6,669,385	6,669,385	6,669,385
Intercompany - Mexico	1,865,988	1,854,910	1,854,910	1,854,910	1,854,910	1,854,910	1,854,910	1,854,910
Foreign accounts	255,237	178,934	178,934	178,934	161,040	161,040	161,040	161,040
Chargebacks	43,833	47,211	47,211	47,211	42,490	42,490	42,490	42,490
Volume rebates	709,532	717,986	358,993	358,993	358,993	358,993	358,993	358,993
Warranty Reserve	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Emp accounts/Sundry	112,834	112,620	112,620	112,620	112,620	112,620	112,620	112,620
Service and other Contra Acco	121,366	120,914	120,914	120,914	120,914	120,914	120,914	120,914
Total ineligible	10,454,626	10,080,395	9,721,402	9,721,402	9,695,824	9,695,824	9,695,824	9,695,824
% of total AR	75.3%	79.5%	76.8%	76.0%	76.3%	76.2%	81.9%	81.8%
Net AR	3,431,011	2,596,815	2,936,857	3,069,143	3,007,658	3,035,122	2,145,315	2,158,651
Advance rate	85.0%	85%	85%	85%	85.0%	85%	85%	85%
Availability from AR	2,916,360	2,207,293	2,496,328	2,608,772	2,556,509	2,579,854	1,823,517	1,834,854
Inventory								
RM, WIP & FG	4,843,834	4,611,847	4,704,799	4,726,687	4,713,884	4,598,659	4,701,081	4,675,999
Ineligibles								
Slow moving / Obsolete	66,857	52,174	52,174	52,174	52,174	52,174	52,174	52,174
Supplies	95,132	105,251	105,251	105,251	105,251	105,251	105,251	105,251
Work in process	227,576	233,622	233,622	233,622	233,622	233,622	233,622	233,622
Outside Processors	-	-	-	-	-	-	-	-
Returned Goods	12,524	12,070	12,070	12,070	12,070	12,070	12,070	12,070
Total ineligible	402,089	403,117	403,117	403,117	403,117	403,117	403,117	403,117
% of Inventory	8%	9%	9%	9%	9%	9%	9%	9%
Net Inventory	4,441,745	4,208,730	4,301,682	4,323,570	4,310,767	4,195,542	4,297,964	4,272,882
Advance rate	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
Availability from Inventory	1,921,499	1,820,697	1,860,908	1,870,376	1,864,838	1,814,991	1,859,299	1,848,449
Fixed assets								
Real Estate	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000
Equipment	383,116	383,116	383,116	383,116	383,116	383,116	383,116	383,116
Total	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116	4,135,116
Max	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Other reserves	(1,164,115)	(1,184,042)	(1,184,042)	(1,184,042)	(1,184,042)	(1,184,042)	(1,184,042)	(1,184,042)
Credit cap restriction	-	-	-	-	-	-	-	-
Dehum sale	-	-	-	-	-	-	-	-
Total borrowing base	7,473,743	6,643,947	6,973,194	7,095,106	7,037,305	7,010,803	6,298,775	6,299,260
Line of credit								
Opening balance	4,572,531	3,560,544	2,408,152	2,599,558	3,208,202	3,091,691	3,121,060	2,570,100
Exchange Adjustment	22,747	933	-	-	-	-	-	-
Other adjustment	83,231	-	-	-	-	-	-	-
Advances	593,000	379,000	630,000	882,000	495,000	462,000	445,000	469,000
Payments	(1,710,965)	(1,532,325)	(438,594)	(273,356)	(611,511)	(432,630)	(995,960)	(386,388)
Closing balance	3,560,544	2,408,152	2,599,558	3,208,202	3,091,691	3,121,060	2,570,100	2,652,712
Availability								
Unused line of credit	3,913,199	4,235,796	4,373,636	3,886,904	3,945,615	3,889,743	3,728,675	3,646,548
Minimum Balance per Sect 7.27(a)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
	913,199	1,235,796	1,373,636	886,904	945,615	889,743	728,675	646,548
Line of credit cap								
Maximum borrowing	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Line of credit balance	3,560,544	2,408,152	2,599,558	3,208,202	3,091,691	3,121,060	2,570,100	2,652,712
	1,939,456	3,091,848	2,900,442	2,291,798	2,408,309	2,378,940	2,929,900	2,847,288

V.C. Wood (USA)
4 WEEK CASH FLOW
J.S. dollars)

	Actual 10-Oct	Actual 17-Oct	1 24-Oct	2 31-Oct	3 07-Nov	4 14-Nov	5 21-Nov	6 28-Nov
Cash Receipts								
A/R collections	711,911	546,460	391,458	671,601	463,547	431,517	438,746	418,334
Non-operational sources	277	51,690						
Asset proceeds	-							
Discounts								
Intercompany settlements	400,495	-	-	-	-	-	40,230	-
Equity/LT Debt Financing								
	1,112,683	598,150	391,458	671,601	463,547	431,517	478,976	418,334
Cash Disbursements								
Payroll								
Wages	101,960	51,928	118,976	58,186	120,925	58,186	123,525	58,186
Taxes	38,557	15,774	56,405	26,184	57,380	26,184	58,550	26,184
Benefits	21,225	36,229	-	-	-	-	-	-
Other employee costs	1,857	350						
Outsourcing								
Employee expenses	750		1,500	1,500	1,500	1,500	1,500	1,500
	164,348	104,282	176,881	85,870	179,805	85,870	183,575	85,870
Material								
Steel - ArcelorMittal (Dofasco)	31,316	-	30,000	-	30,000	-	30,000	-
Compressors	17,722	-	-	-	-	-	-	-
Paint - PPG	-	-	25,000	-	-	-	-	-
Plastic components - Sturgis	15,787	-	20,000	-	50,000	-	50,000	-
Foam - Huntsman	-	-	-	-	-	-	-	-
Shipping material - Norampac	-	-	20,000	-	20,000	-	20,000	-
Mexico Inventory	-	-	-	-	-	-	-	-
All other vendors	137,238	-	121,613	-	81,914	-	61,695	-
	202,063	-	216,613	-	181,914	-	161,695	-
Production risk payments								
Steel - ArcelorMittal (Dofasco)	-	-	-	-	-	-	-	-
Compressors	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Factory and channel costs								
Utilities	56,830	-	-	-	60,000	-	-	-
Real Estate Taxes and Insurance	-	-	-	-	-	-	-	-
Maintenance	9,263	-	3,750	3,750	3,750	3,750	3,750	3,750
Manufacturing Supplies	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Warranty	38,502	-	70,500	35,250	55,250	35,250	35,250	35,250
Variable Marketing	-	-	15,000	-	-	-	-	-
Royalty	-	-	86,354	-	-	60,361	-	-
Freight	31,513	-	71,577	47,694	45,060	41,513	37,966	37,966
Rebates	15,940	-	45,000	-	70,000	-	-	-
	152,048	-	293,181	87,694	235,060	141,874	77,966	77,966
SG&A								
Travel	-	-	1,500	1,500	1,500	1,500	1,500	1,500
Professional Fees	7,117	-	41,000	18,500	18,500	18,500	10,000	10,000
Marketing	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Other SGA	10,406	-	19,200	19,200	50,200	19,200	19,200	19,200
Taxes (not income)	-	-	-	-	-	-	-	-
Interest expense	3,106	-	-	-	35,000	-	-	-
	20,629	-	62,700	40,200	106,200	40,200	31,700	31,700
Total Uses	539,088	104,282	749,375	213,764	702,979	267,943	454,937	195,536
Cash Summary								
Receipts	1,112,683	598,150	391,458	671,601	463,547	431,517	478,976	418,334
Disbursements	539,088	104,282	749,375	213,764	702,979	267,943	454,937	195,536
Net source (use) of cash	573,595	493,868	(357,917)	457,837	(239,432)	163,573	24,039	222,798

I.C. Wood (USA)
BORROWING BASE CALCULATION

	Actual 10-Oct	Actual 17-Oct	1 24-Oct	2 31-Oct	3 07-Nov	4 14-Nov	5 21-Nov	6 28-Nov
Accounts Receivable								
Total AR	14,123,168	13,926,359	14,006,043	13,768,305	13,713,331	13,656,339	13,558,070	13,480,214
Ineligibles								
Invoices > 90 days	105,671	62,438	62,438	62,438	62,438	62,438	62,438	62,438
Credits past due	70,901	77,696	77,696	77,696	77,696	77,696	77,696	77,696
Cross-Age	36,066	1,099	1,099	1,099	1,099	1,099	1,099	1,099
Intercompany - Canada	9,793,049	10,466,801	10,466,801	10,466,801	10,466,801	10,466,801	10,466,801	10,466,801
Intercompany - Mexico	336,668	336,668	336,668	336,668	336,668	336,668	336,668	336,668
Foreign accounts	82,601	82,601	82,601	82,601	82,601	82,601	82,601	82,601
Chargebacks	149,428	179,697	179,697	179,697	179,697	179,697	179,697	179,697
Volume rebates	546,749	546,749	546,749	546,749	546,749	546,749	546,749	546,749
3rd party finance	-	-	-	-	-	-	-	-
Capital solutions	12,882	10,307	10,307	10,307	10,307	10,307	10,307	10,307
Government accounts	2,209	2,209	2,209	2,209	2,209	2,209	2,209	2,209
Menards sales @ 5%	14,121	14,816	2,414	2,213	1,869	1,713	1,557	1,557
Service/Other accounts	873	12,475	12,475	12,475	12,475	12,475	12,475	12,475
Emp accounts/Sundry	19,302	16,119	16,119	16,119	16,119	16,119	16,119	16,119
Whirlpool contra	-	-	-	-	-	-	-	-
Lowes (total A/R)	303,548	243,067	321,983	285,392	372,400	374,774	376,704	376,110
Lowes (Vol Rebate)	(309,350)	(309,350)	(309,350)	(309,350)	(309,350)	(309,350)	(309,350)	(309,350)
Total ineligible	11,164,519	11,743,392	11,809,907	11,773,114	11,859,778	11,861,997	11,863,770	11,863,177
% of total AR	79.1%	84.3%	84.3%	85.5%	86.5%	86.9%	87.5%	88.0%
Net AR	2,958,648	2,182,967	2,196,136	1,995,191	1,853,553	1,794,342	1,694,300	1,617,037
Advance rate	85.0%	85%	85%	85%	85.0%	85%	85%	85%
Availability from AR	2,514,851	1,855,522	1,866,716	1,695,912	1,575,520	1,525,191	1,440,155	1,374,481
Inventory								
Raw Materials	4,041,444	3,856,657	3,983,427	3,983,427	3,948,727	3,948,727	3,928,509	3,928,509
Ineligibles								
Slow moving / Obsolete	707,322	707,322	707,322	707,322	707,322	707,322	707,322	707,322
Supplies	18,080	18,080	18,080	18,080	21,775	21,775	21,663	21,663
Work in process	370,829	370,829	370,829	370,829	389,747	389,747	387,751	387,751
Total ineligible	1,096,231	1,096,231	1,096,231	1,096,231	1,118,843	1,118,843	1,110,736	1,116,736
% of raw material	33%	33%	33%	33%	33%	33%	33%	33%
Net raw material	2,945,213	2,760,426	2,887,196	2,887,196	2,829,884	2,829,884	2,811,772	2,811,772
Advance rate	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%
Availability from raw material	892,400	836,409	874,820	874,820	857,455	857,455	851,967	851,967
Finished goods	1,349,244	1,716,779	1,583,718	1,571,055	1,683,718	1,588,430	1,683,718	1,597,092
Ineligibles								
Slow moving / Obsolete	21,080	21,080	21,080	21,080	15,304	14,437	15,304	14,516
Parts inventory	286,900	286,900	286,900	286,900	169,488	159,896	169,488	160,768
Returned goods	29,935	32,835	32,835	32,835	25,735	24,279	25,735	24,411
Total ineligible	337,915	340,815	340,815	340,815	210,527	198,612	210,527	199,695
% of raw material	13%	13%	13%	13%	13%	13%	13%	13%
Net raw material	1,011,329	1,375,964	1,342,903	1,230,240	1,473,191	1,389,818	1,473,191	1,397,397
Advance rate	60.8%	60.8%	60.8%	60.8%	60.8%	60.8%	60.8%	60.8%
Availability from raw material	614,888	836,586	816,485	747,986	895,700	845,009	895,700	849,618
Total availability from inventory	1,507,288	1,672,995	1,691,305	1,622,806	1,753,155	1,702,464	1,747,667	1,701,585
Fixed assets								
Real Estate	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000	3,752,000
Equipment	455,338	455,338	455,338	455,338	455,338	455,338	455,338	455,338
Total	4,207,338	4,207,338	4,207,338	4,207,338	4,207,338	4,207,338	4,207,338	4,207,338
Max	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Other reserves	(310,133)	(310,133)	(310,133)	(310,133)	(310,133)	(310,133)	(310,133)	(310,133)
Total borrowing base	7,712,006	7,218,384	7,247,888	7,008,586	7,018,542	6,917,522	6,877,689	6,765,933
Line of credit								
Opening balance	4,403,137	3,827,560	3,334,410	3,692,952	3,235,351	3,474,804	3,311,287	3,287,312
Advances	534,000	105,000	750,000	214,000	703,000	268,000	455,000	196,000
Charges	3,106	-	-	-	-	-	-	-
Payments	(1,112,683)	(598,150)	(391,458)	(671,601)	(463,547)	(431,517)	(478,976)	(418,334)
Closing balance	3,827,560	3,334,410	3,692,952	3,235,351	3,474,804	3,311,287	3,287,312	3,064,978
Availability								
Unused line of credit	3,884,446	3,883,974	3,554,937	3,773,235	3,543,738	3,606,235	3,590,378	3,700,955
Minimum Balance per Sect 7.27(i)	(3,000,000)	(3,000,000)	(3,000,000)	(3,160,000)	(3,160,000)	(3,160,000)	(3,160,000)	(3,160,000)
	884,446	883,974	554,937	613,235	383,738	446,235	430,378	540,955
Line of credit cap								
Maximum borrowing	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
Line of credit balance	3,827,560	3,334,410	3,692,952	3,235,351	3,474,804	3,311,287	3,287,312	3,064,978
	3,372,440	3,865,590	3,507,048	3,964,649	3,725,196	3,888,713	3,912,688	4,135,022

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 AND ARRANGEMENT OF W.C. WOOD
CORPORATION, LTD., W.C. WOOD CORPORATION, INC. and W.C. WOOD HOLDINGS., INC.

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