

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE MR.

)

TUESDAY, THE 29TH

JUSTICE MORAWETZ

)

DAY OF MARCH, 2011

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
HOLDINGS INC. and W.C. WOOD CORPORATION INC.

AND IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

ORDER

THIS MOTION, made by BDO Canada Limited ("BDO", formerly known as BDO Dunwoody Limited) in its capacity as monitor (the "Monitor") in the *Companies' Creditors Arrangement Act* proceedings (the "CCAA Proceedings") of W.C. Wood Corporation, Ltd., ("Wood Canada"), W.C. Wood Corporation, Inc. ("Wood US") and W.C. Wood Holdings Inc. and (together with Wood Canada and Wood US, "W.C. Wood"), appointed pursuant to an Order made May 19, 2009 by the Honourable Madam Justice Pepall, as amended (the "Initial Order"), and in its capacity as receiver (the "Receiver") of W.C. Wood, appointed pursuant to an Order made November 16, 2009 by the Honourable Madam Justice Pepall, as amended (the "Receivership Order"), for, *inter alia*, an order:

- (a) approving the Sixteenth Report of BDO to the Court, dated March 8, 2011 (the "Sixteenth Report"), filed, and the activities of the Monitor and Receiver described therein;
- (b) approving the Monitor and Receiver's receipts and disbursements;

- (c) approving the claims bar process undertaken by the Monitor and Receiver (the “Claims Bar Process”);
- (d) authorizing the Monitor and Receiver to make payment to Service Canada in connection with secured employee wage claims;
- (e) authorizing the Monitor and Receiver to make payments to former Wood Canada employees and Service Canada in connection with employee vacation pay claims;
- (f) authorizing the Monitor and Receiver to make payment to the United States Internal Revenue Service (the “IRS”) in connection with a secured claim for unpaid payroll taxes;
- (g) authorizing the Monitor and Receiver to make an interim distribution in respect of accepted Post-filing Claims (as that term is defined in the claims procedure Order of this Honourable Court dated July 22, 2010 (the “Claims Procedure Order”)) with certain holdbacks, and to subsequently make a final distribution in respect of accepted Post-filing Claims;
- (h) forever barring and extinguishing all Claims (as that term is defined in the Claims Procedure Order) disallowed by the Monitor and Receiver;
- (i) approving the fees and disbursements of the Monitor and its counsel;
- (j) terminating the reimbursement agreements made between W.C. Wood’s secured lenders and the Monitor and Receiver;
- (k) discharging BDO as the Monitor and Receiver of W.C Wood, and terminating the CCAA Proceedings, subject to the conditions set out in paragraph 12 of this Order;
- (l) releasing BDO Canada Limited from any and all liability, as set out in paragraph 13 of this Order; and
- (m) authorizing and directing the Monitor and Receiver to seek an order from the United States Bankruptcy Court for the District of Delaware (the “US Court”) to recognize this Order,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Sixteenth Report and the exhibits thereto, including the Affidavit of Fees of Ken Pearl sworn March 8, 2011, filed and the Affidavit of Fees of Robb English sworn March 8, 2011, filed, and upon hearing submissions for counsel for BDO, _____, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Christine Doyle sworn March 23, 2011, filed:

1. THIS COURT ORDERS that the Sixteenth Report, and the activities of the Monitor and Receiver set out therein be and the same are hereby approved.
2. THIS COURT ORDERS that the Monitor and Receiver's Statement of Receipts and Disbursements for the period from July 1, 2010 to February 28, 2011 be and the same is hereby approved.
3. THIS COURT ORDERS that the Claims Bar Process be and the same hereby is approved.
4. THIS COURT ORDERS that the Monitor and Receiver make the following payments and that the same be and hereby are approved:
 - (a) \$376,846 from the net proceeds of Wood Canada to Service Canada in connection with former employee wage claims that are secured pursuant to Section 81.4 of the *Bankruptcy and Insolvency Act* and, in respect of which, former employees have already been paid by Service Canada pursuant to the *Wage Earner Protection Program Act* ("WEPPA");
 - (b) \$169,525 from the net proceeds of Wood Canada in connection with employee vacation pay claims that are subject to a deemed trust under the *Ontario Employment Standards Act, 2000*, either directly to the former employees of Wood Canada holding such claims or to Service Canada in those cases where former employees have already received payment in respect of such claims from Service Canada pursuant to WEPPA;
 - (c) US\$17,399.25 to the IRS in respect of secured claims for arrears of United States federal unemployment taxes;
 - (d) a holdback in the amount of \$100,000 from the net proceeds of Wood Canada, and a holdback in the amount of US\$100,000 from the net proceeds of Wood US

(collectively, the "Holdback") to pay remaining costs in the administration of the receivership herein (the "Receivership") and the CCAA Proceedings;

- (e) an interim distribution of the proceeds of Wood Canada and Wood US, net of the Holdback, in respect of accepted Post-Filing Claims; and
- (f) upon further receipts, if any, and upon payment of remaining costs of administration, a final distribution of such receipts and of any remaining Holdback amounts, in further payment of accepted Post-Filing Claims.

5. THIS COURT ORDERS that each Claim in respect of which the Monitor and Receiver issued a Notice of Disallowance (as that term is defined in the Claims Procedure Order) that was not disputed by the claimant in accordance with the Claims Procedure Order, be, and the same hereby is, forever extinguished and each person holding such a Claim be, and the same hereby is, forever barred from asserting such a Claim, save and except for the claim of Roig Hernández y Asociados, S.C, which is accepted at 75% of the original proof of claim amount, and which shall participate in the distributions from the proceeds of Wood US only.

6. THIS COURT ORDERS that the fees and disbursements with respect to W.C. Wood of BDO for the period from June 5, 2010 to February 28, 2011, inclusive, in the amount of CDN\$242,845.08 (excluding GST/HST), and the additional fees and disbursements of the Monitor and Receiver to complete the administration of the Receivership and the CCAA Proceedings, to a maximum of \$35,000, plus applicable taxes, be and the same are hereby approved.

7. THIS COURT ORDERS that the fees and disbursements of the Monitor and Receiver's Ontario legal counsel, Aird & Berlis LLP ("AB"), for the period from May 26, 2010 to February 28, 2011, in the amount of CDN\$64,331.50 (excluding GST/HST), and the additional fees and disbursements of AB to complete the administration of the Receivership and the CCAA Proceedings, to a maximum of \$15,000 plus applicable taxes, be and the same are hereby approved.

8. THIS COURT ORDERS that the fees and disbursements of the Monitor and Receiver's Delaware legal counsel, Richards, Layton & Finger PA ("RLF"), for the period from June 1, 2010 to February 28, 2011, in the amount of US\$11,313.05, and the additional fees and disbursements of RLF to complete the administration of the Receivership, the CCAA Proceedings, and W.C. Wood's Chapter

15 proceedings in the United States, to a maximum of US\$12,000 plus applicable taxes be and the same are hereby approved.

9. THIS COURT ORDERS that the reimbursement agreement between the Monitor and Receiver and CIT Group/Business Credit, Inc. and Bank of Montreal Chicago Branch (collectively, the “**US Lenders**”) dated January 26, 2010 be, and the same hereby is, terminated, and that the US Lenders be, and the same hereby are, released of their obligations thereunder.

10. THIS COURT ORDERS that the reimbursement agreement between the Monitor and Receiver and CIT Business Credit Canada Inc. and the Bank of Montreal (collectively, the “**Canadian Lenders**”) dated April 7, 2010 be, and the same hereby is, terminated, and that the Canadian Lenders be, and the same hereby are, released of their obligations thereunder.

11. THIS COURT ORDERS that the reimbursement agreement between the Monitor and Receiver and Whirlpool Corporation (“**Whirlpool**”) dated August 11, 2010 be, and the same hereby is, terminated, and that Whirlpool be, and the same hereby is, released of its obligations thereunder.

12. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 4 hereof and upon filing by the Monitor and Receiver of a certificate substantially in the form attached as Schedule “A” hereto (the “Receiver's Certificate”) certifying that it has completed the other activities described in the Sixteenth Report and all matters to be attended to in connection with the Receivership and the CCAA Proceedings have been provided for to the satisfaction of the Monitor and Receiver:

- (a) BDO shall be discharged as Monitor in the CCAA Proceedings and as Receiver of the undertaking, property and assets of W.C. Wood; and
- (b) the CCAA Proceedings shall be terminated,

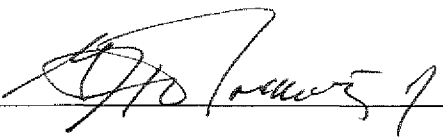
provided however that, notwithstanding its discharge herein, (i) BDO shall remain Monitor and Receiver for the performance of such incidental duties as may be required to complete the administration of the Receivership and the CCAA Proceedings, and (ii) BDO shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceedings and the Receivership, including all approvals, protections and stays of proceedings in favour of BDO in its capacity as Monitor or in its capacity as Receiver.

13. THIS COURT ORDERS AND DECLARES that, effective upon filing of the Receiver’s Certificate pursuant to paragraph 12 of this Order, BDO shall be released and discharged from any and

all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Monitor or Receiver herein, ^{save and except for any liability arising from gross negligence or willful misconduct} Without limiting the generality of the foregoing, BDO shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the CCAA Proceedings or the Receivership, ^{save and except for any liability arising from gross negligence or willful misconduct.}

14. THIS COURT AUTHORIZES AND DIRECTS the Monitor and Receiver to apply to the US Court for an Order recognizing this Order and giving it full force and effect in the United State of America.

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



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

MAR 29 2011

PER/PAR:



Schedule "A" to Discharge Order – Form of Receiver's Certificate

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
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RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order made May 19, 2009 by the Honourable Madam Justice Pepall, of the Ontario Superior Court of Justice (the "Court"), as amended (the "Initial Order"), BDO Canada Limited ("BDO") was appointed as the Companies' Creditor Arrangement Act Monitor (the "Monitor") of W.C. Wood Corporation, Ltd., ("Wood Canada"), W.C. Wood Corporation, Inc. ("Wood US") and W.C. Wood Holdings Inc. and (together with Wood Canada and Wood US, the "Debtor").

B. Pursuant to an Order made November 16, 2009 by the Honourable Madam Justice Pepall, as amended (the "Receivership Order"), BDO was appointed receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtor.

C. Pursuant to an Order of the Court dated March 29, 2011 (the "Discharge Order"), BDO was discharged as Monitor and Receiver of the undertaking, property and assets of the Debtor to be effective upon the filing by the Monitor and Receiver with the Court of a certificate confirming that the Monitor and Receiver has completed the activities described in the Sixteenth Report and all matters to be attended to in connection with the receivership and the CCAA proceedings of the Debtor have been provided for to the satisfaction of the Monitor and Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE MONITOR AND RECEIVER CERTIFIES that the Monitor and Receiver has completed all activities described in the Sixteenth Report and all matters to be attended to in connection with the receivership and the CCAA proceedings of the Debtor have been provided for to the satisfaction of the Monitor and Receiver.

**BDO CANADA LIMITED., solely in its
capacities as *Companies' Creditors
Arrangement Act* Monitor and as Receiver of
the assets, undertakings and properties of
W.C. WOOD CORPORATION, LTD., W.C.
WOOD CORPORATION, INC. and W.C.
WOOD HOLDINGS INC., and not in its
personal or corporate capacity**

By: _____
Name:
Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. c-36, AS AMENDED AND
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CORPORATION, LTD. and W.C. WOOD CORPORATION INC.
AND IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS
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Court File No.: CV-09-8194-00C

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(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
BCE Place
Suite 1800, Box 754
181 Bay Street
Toronto, Ontario M5J 2T9
Tel: 416.863.1500
Fax: 416.863.1515

D. Robb English – LSUC #19862F 1B
Sam Babe – LSUC # 49498 B
Tel: 416.863.1500
Fax: 416.863.1515

Lawyers for the Monitor and Receiver,
BDO Canada Limited