

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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.**

MOTION RECORD
(Motion returnable April 28, 2009)

April 23, 2009

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TAB 1

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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.

NOTICE OF MOTION
(Returnable April 28, 2009)

Burlington Technologies Inc. (the "**Applicant**") will make a motion to a Judge presiding over the Commercial List, on Tuesday the 28th day of April, 2009, at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR an order in the form attached as Schedule "A", hereto (the "**Draft Order**") *inter alia*:

1. Abridging and validating the timing and method of service of this Motion Record so that this Motion is properly returnable;
2. Approving the fifth report of the Monitor dated April 23, 2009 (the "**Fifth Report of the Monitor**") and the activities of the Monitor as set out therein;

3. Further extending the Stay Period, as defined by the Order of the Honourable Mr. Justice Campbell in these proceedings made on December 9, 2008 (the “**Initial Order**”) and previously extended until May 1, 2009, until May 8, 2009;
4. Approving the accommodation agreement between the Applicant and Schaeffler Canada Inc. and Schaeffler Group USA Inc. (collectively, “**Schaeffler**”), substantially in the form attached to the Fifth Report of the Monitor, and approving the actions contemplated thereunder;
5. Approving the Fourth DIP Loan Amendment Agreement, substantially in the form attached to the Fifth Report of the Monitor, amending the DIP Loan Agreement (as defined in the Initial Order) (the “**Fourth DIP Loan Amendment Agreement**); and
6. Such further and other relief as this Honourable Court may deem to be just.

THE GROUNDS FOR THE MOTION ARE:

1. The Applicant obtained protection from its creditors under the *Companies’ Creditors Arrangement Act* R.S.C. 1985, c.C-36, as amended (the “**CCAA**”), pursuant to the Initial Order;
2. Pursuant to the terms of the DIP Loan Agreement, the Applicant was to use its commercially reasonable efforts to enter into Accommodation Agreements with certain of its customers. By order of the Honourable Madame Justice Hoy, on April 15, 2009, Accommodation Agreements with General Motors Corporation and Gates Canada Inc., as described in the Fourth Report of the Monitor dated April 9, 2008, were approved. The Applicant has now come to terms with Schaeffler with respect to a similar agreement and seeks approval of such agreement. The Applicant continues to negotiate similar agreements with certain of its other customers and intends to return to Court shortly to seek approval of same;
3. As described in the in the Fifth Report of the Monitor and the affidavit of Erwin A. Overmeyer sworn April 23, 2009 (the “**Overmeyer Affidavit**”), the Applicant is in

the process of concluding a marketing and sale process and seeks a short extension of the Stay Period to May 8, 2009 to conclude such process;

4. The Applicant continues to act in good faith and with due diligence;
5. The provisions of the CCAA;
6. Rules 2.03, 3.02 and 16 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194;
and
7. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE TIME OF THE HEARING OF THE MOTION:

1. The Fifth Report of the Monitor;
2. The Overmeyer Affidavit; and
3. Such further and other evidence as counsel may advise and this Honourable Court may admit.

April 23, 2009

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Lawyers for the Applicant

To: SERVICE LIST

Court File No: 08-CL-7888-00-CL
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 BURLINGTON TECHNOLOGIES INC.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION
(Returnable April 28, 2009)

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TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 28th DAY OF
JUSTICE <)
) APRIL, 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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.

ORDER

THIS MOTION, made by Burlington Technologies Inc. (the "**Applicant**"), for an order in the form attached as schedule "A" to the notice of motion of the Applicant dated April 23, 2009 (the "**Notice of Motion**") *inter alia*: (i) abridging and validating the timing and method of service of this Motion Record so that this Motion is properly returnable; (ii) approving the fifth report of the Monitor dated April 23, 2009 (the "**Fifth Report of the Monitor**") and the activities of the Monitor as set out therein; (iii) further extending the Stay Period, as defined by the Order of the Honourable Mr. Justice Campbell in these proceedings made on December 9, 2008 (the "**Initial Order**") until May 8, 2009; (iv) approving the accommodation agreement, substantially in the form attached to the Fifth Report of the Monitor, and the actions contemplated thereunder, between the Applicant, Schaeffler Canada Inc. and Schaeffler Group USA Inc. (collectively, "**Schaeffler**"); and (v) approving the Fourth DIP Loan Amendment Agreement, substantially in the form attached to the Fifth Report of the Monitor, amending the DIP Loan Agreement (as defined in the Initial Order) (the "**Fourth DIP**

Loan Amendment Agreement”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report of the Monitor, the affidavit of Erwin A. Overmeyer sworn April 23, 2009 (the “**Overmeyer Affidavit**”), and on hearing the submissions of counsel for the Applicant, Royal Bank of Canada, Ford Motor Company and the Monitor, no one else appearing although duly served as appears from the affidavit of service of <> sworn <>, 2009;

Service

1. **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 any further service thereof hereby dispensed with.

Approval of Monitor’s Activities

2. **THIS COURT ORDERS** that the Fifth Report of the Monitor and the activities of the Monitor as set out therein, be and are hereby approved.

Extension of Stay of Proceedings

3. **THIS COURT ORDERS** that the terms of the Initial Order including, without limitation, the “Stay Period” as defined in paragraph 15 of the Initial Order, be and are hereby extended to May 8, 2009.

Approval of Accommodation Agreement

4. **THIS COURT ORDERS** that the accommodation agreement between the Applicant and Schaeffler, substantially in the form attached to the Fifth Report of the Monitor as Exhibit “D”, be and is hereby approved, and the Applicant be and is hereby authorized to take such actions as contemplated therein.

Approval of DIP Loan Amendment Agreement

5. **THIS COURT ORDERS** that the Fourth DIP Loan Amendment Agreement, substantially in the form attached to the Fifth Report of the Monitor, be and is hereby approved.

Court File No: 08-CL-7888-00-CL
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 BURLINGTON TECHNOLOGIES INC.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

ORDER

(April 28, 2009)

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TAB 2

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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.**

**AFFIDAVIT OF ERWIN A. OVERMEYER
(Sworn April 23, 2009)**

I, **ERWIN A. OVERMEYER**, of the City of St. Catharines, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Financial Officer of Burlington Technologies Inc. (“**BTI**” or the “**Company**”), a position I have held for the last nine months and, as such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess such personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, do verily believe it to be true.
2. Unless otherwise defined herein, all capitalized terms shall have the meaning as set out in the Initial Order (as defined below).

Overview

3. This affidavit is sworn in support of a motion by BTI for an extension of the Stay Period to May 8, 2009 and related relief.
4. On December 9, 2009, BTI obtained an order (the “**Initial Order**”) for protection pursuant to the provisions of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
5. On March 13, 2009, BTI obtained an order, which among other things extended the stay of proceedings contained in the Initial Order until May 1, 2009.

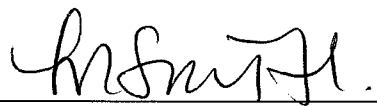
Status of the Restructuring

6. With the assistance of John Walker of Alvarez & Marsal Canada ULC (the “**CRO**”) and the Court-appointed monitor, BDO Dunwoody Limited (the “**Monitor**”), BTI has had constructive negotiations with its primary stakeholders including Royal Bank of Canada (“**RBC**”), Export Development Canada, Maple Trade Finance Inc., various suppliers and key customers, employees and union representatives regarding the status of its operations and restructuring.
7. As described in my affidavits sworn on January 5, 2009, January 27, 2009 and March 9, 2009 (the “**Previous Extension Affidavits**”), following the date of the Initial Order, BTI has taken steps to consolidate operations of two of its divisions in order to reduce overhead costs with the ultimate goal of returning BTI to a cash flow positive position. Copies of the Previous Extension Affidavits (without exhibits) are attached hereto as Exhibit “**A**”.
8. The Status of BTI’s restructuring is fully described in the Fifth Report of the Monitor dated April 23, 2009 (the “**Fifth Report of the Monitor**”). I have reviewed a draft of the Fifth Report of the Monitor and I agree with and adopt the contents thereof.
9. As described in the Fifth Report of the Monitor, the Marketing Process, which was approved by Order of the Honourable Mr. Justice Campbell on January 8, 2009, is

nearing its conclusion and BTI requires a short extension of the Stay Period to conclude the Marketing Process.

Summary

- 10. BTI understands that its DIP Lender, RBC supports the extension and has agreed to further extend the DIP Loan Agreement to May 8, 2009 provided that the Court grants BTI's request for an extension of the Stay Period to that date.
- 11. I verily believe that BTI has acted and is acting in good faith and with due diligence.
- 12. I swear this Affidavit in support of BTI's motion for an order extending the Stay Period and for related relief and for no other or improper purpose.

SWORN before me at the Town of)
 Oakville in the Province of Ontario this)
 23rd day of April, 2009)
)

)
)
)
)
)
)

A Commissioner, etc.



ERWIN A. OVERMEYER

Marah Stephanie Smith,
 a Commissioner, etc.,
 Province of Ontario,
 while a Student-at-Law.
 Expires May 4, 2010.

Exhibit "A" to the affidavit of Erwin A. Overmeyer
sworn April 23rd, 2009.

A handwritten signature in cursive script, appearing to read "M. Smith", written above a horizontal line.

Commissioner for Taking Affidavits, etc.

**Marah Stephanie Smith,
a Commissioner, etc.,
Province of Ontario,
while a Student-at-Law.
Expires May 4, 2010.**

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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.

AFFIDAVIT OF ERWIN A. OVERMEYER
(Sworn January 5, 2009)

I, **ERWIN A. OVERMEYER**, of the City of St. Catharines, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Financial Officer of Burlington Technologies Inc. ("**BTI**" or the "**Company**"), a position I have held for the last six months and, as such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess such personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, do verily believe it to be true.
2. Unless otherwise defined herein, all capitalized terms shall have the meaning as set out in the Initial Order (as defined below).

OVERVIEW

3. On December 9, 2009, BTI obtained an order (the "**Initial Order**") for protection pursuant to the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

4. In the three weeks following the granting of the Initial Order, the Company, with the assistance of John Walker of Alvarez & Marsal Canada ULC (the “**CRO**”) and the Court-appointed monitor, BDO Dunwoody Limited (the “**Monitor**”), has had constructive negotiations with its primary stakeholders including Royal Bank of Canada (“**RBC**”), Export Development Canada (“**EDC**”), Maple Trade Finance Inc. (“**Maple Trade**”), various suppliers and major customers. In addition, BTI has commenced the consolidation of two of its divisions to reduce overhead costs with the goal of returning the Company to a cash flow positive position.
5. This affidavit is sworn in support of a motion by BTI for an extension of the Stay Period as defined in the Initial Order and related relief.

BACKGROUND

6. BTI is a privately owned corporation that produces high pressure aluminium die-castings, supplying the global automotive market. Through the operation of its four manufacturing divisions in Southwestern Ontario, BTI is able to provide high volume, vertically integrated service and supply of aluminium automotive die castings to the global automotive market, historically shipping over 30 million parts each year.
7. Although, the vast majority of BTI’s contracts are profitable, the severe slowdown in the automotive industry as a whole has resulted in a substantially reduced volume of sales for BTI. In the past two years BTI has also expended significant capital to establish new product lines which relate to ‘green initiatives’ including components for new 4 cylinder engine products, hybrid engine products, 6 speed transmissions products, and 3 cylinder diesel engine products. These new ‘green initiatives’ are not scheduled to come into full production until spring of 2009 and beyond. As a result of reduced sales and the fact that the ‘green initiatives’ are still in the ramp up stages, BTI’s facilities are operating significantly under capacity. Consequently, overhead costs have caused BTI to incur losses in the last three years. As such, a significant restructuring of BTI’s operations was the only viable option.

8. BTI is a supplier to various OEMs and other Tier 1 manufacturers. For many of the parts which BTI supplies to its customers, BTI is the sole supplier. On-going production from BTI is critical to the automotive supply chain. BTI provides value added machining, assembly and pressure testing with BTI owned equipment that would take between nine months to one year to duplicate.
9. Ford Motor Company ("**Ford**") is BTI's largest customer, and accounts for approximately 40% of BTI's sales. Other significant customers include Bendix CVX ("**Bendix**") (approximately 12-15% of sales), General Motors Corporation ("**GM**") (approximately 10-12% of sales) and Getrag Corporation (approximately 10-12% of sales).
10. Prior to the Initial Order, BTI had approximately 500 employees and operated out of four divisions and a head office, each of which location is summarized below:
 - (a) The Alumetco Division operated out of an 115,006 square foot facility located at 150 Garden Ave. in Brantford, Ontario on land owned by BTI. The Alumetco Division was a die casting facility, which employed approximately 90 hourly employees and 20 salary employees. The hourly employees at the Alumetco Division were certified on May 5, 2008 as members of the Canadian Auto Workers Union local 397 (the "**Alumetco CAW**"). In the months prior to the Initial Order, the Alumetco Division was operating at approximately 45% capacity. As discussed below, the Alumetco Division has been closed, operations of the Alumetco Division are being consolidated into the Burlington Division and the employment of the Alumetco Division employees has been terminated.
 - (b) The Burlington Division operates out of a 126,000 square foot facility at 3267 Mainway in Burlington, Ontario on land owned by BTI. Like the Alumetco Division, the Burlington Division is a die casting facility. The Burlington Division employs approximately 160 hourly employees and 30 salary employees. The hourly employees at the Burlington Division are members of the Canadian Auto Workers Union local 504 (the "**Burlington CAW**"). The Burlington

Division has been operating at approximately 50% capacity. The consolidation of the operations of the Alumetco Division operations into the Burlington Division is expected to be completed by the end of the week commencing January 12, 2009.

- (c) The Centennial Division operates out of a 40,000 square foot facility located at 920 Century Drive in Burlington, Ontario on land owned by Burlington Group Inc. ("BGI"), a company related to BTI. The Centennial Division is a tool design, tool sourcing and manufacturing facility. The Centennial Division employs approximately 30 hourly (non-unionized) employees and 20 salary employees.
- (d) The Dexcam Division operates out of a 60,000 square foot facility located at 1670 Bishop Street in Cambridge, Ontario on land owned by BGI. The Dexcam Division is a machining and assembly facility and employs approximately 100 hourly (non-unionized) and 20 salary employees.
- (e) The Head Office operates out of a 27,200 square foot facility located at 2380 South Service Road in Oakville, Ontario on land owned by BGI. The Head Office includes the accounting/administration, information systems, sales & marketing, and program management departments. The Head Office employs approximately 45 salary employees. As described below, I understand that BGI has entered into an agreement to sell the property which is occupied by the Head Office and BTI intends to consolidate the Head Office administration into the Burlington Division.

FINANCIAL AND OPERATIONAL STATUS

11. In the period following the granting of the Initial Order, BTI with the assistance of the CRO and the Monitor, has had numerous discussions with its primary stakeholders. As a result, BTI has entered into arrangements, subject to Court approval, including the following:
 - (i) an arrangement with Maple Trade for the on-going financing of certain BTI accounts receivable;

- (ii) arrangements with various suppliers for on-going supply of critical products;
 - (iii) an arrangement with the DIP Lender to extend the DIP Loan Agreement until January 30, 2009; and
 - (iv) arrangements to retain key employees.
12. The Company has also had positive discussions with EDC and its primary customers, namely Ford, GM, Bendix and others, with a view to entering into arrangements with each of these parties which will allow BTI to operate in the ordinary course as the restructuring proceeds. These discussions are on-going.
13. BTI has also had various meetings with its employees and with union representatives to discuss the Company's restructuring plans.
14. Details of the arrangements, negotiations and financial status of BTI are set out in the Monitor's First Report to the Court (the "**First Report**"). I have reviewed a draft of the First Report and agree with and adopt the statements of the Monitor.

STATUS OF THE RESTRUCTURING

15. As noted in my affidavit sworn on December 9, 2008 in support of the CCAA application, BTI's restructuring plan involves two stages. The initial stage involves consolidation of operations to reduce overhead costs and to return BTI to a cash neutral position. The second stage involves BTI seeking and obtaining refinancing in order to formulate a plan of arrangement and/or a sale of the business or portions thereof.
16. During the initial stage and prior to the granting of the Initial Order, BTI terminated the employment of approximately 150 employees (the "**Surplus Employees**"). The Company provided written notices to the Surplus Employees of the termination of their employment on the afternoon of December 8, 2008 and the morning of December 9, 2008. The Surplus Employees have been paid their outstanding wages and vacation pay.
17. The termination of employees was tied to plans to consolidate the Alumetco Division into the Burlington Division such that two facilities which were previously operating at

approximately 45% capacity would merge their operations into the Burlington Division which would then be operating at approximately 80-90% capacity.

18. This consolidation was commenced during the extended holiday shut down which BTI scheduled both to facilitate the movement of equipment and to reduce costs (to coincide with extended OEM holiday shutdowns).
19. During the holiday shutdown, preparations were made to move a furnace and various other pieces of equipment from the Alumetco Division property to the Burlington Division property in order to ensure sufficient production capability in January at the Burlington Division following the holiday shutdown. The relocation of equipment is expected to be completed the week of January 12, 2009.
20. BTI is in the process of offering for sale the Alumetco Division property and other redundant assets.
21. BTI also intends to consolidate its Head Office administration into the Burlington Division to further reduce overhead (lease payments). BGI has entered into an agreement to sell the Head Office real property which is expected to close on June 30, 2009.
22. As noted in the First Report, BTI has retained Trenwith Group, LLC to assist in efforts to secure refinancing for the core business and to canvass the market regarding a sale of some or all of the remaining BTI operations.

CONCLUSION

23. As a result of the actions described above and in the First Report, I verily believe that the Company has made good progress in its restructuring efforts and negotiations with its primary stakeholders. BTI has acted and is acting in good faith and with due diligence.
24. BTI continues to believe that its core business and operations are viable and that, if it is provided with a reasonable period of protection, it will be in a position to refine and implement a restructuring plan for BTI so as to maximize value for its stakeholders and preserve jobs for its employees.

Court File No: 08-CL- 7888-00CL
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 BURLINGTON TECHNOLOGIES INC.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ERWIN A. OVERMEYER
(Sworn January 5, 2009)

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LAWYERS for the Applicant Burlington
Technologies Inc.

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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.

AFFIDAVIT OF ERWIN A. OVERMEYER

(Sworn January 27, 2009)

I, **ERWIN A. OVERMEYER**, of the City of St. Catharines, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Financial Officer of Burlington Technologies Inc. ("BTI" or the "Company"), a position I have held for the last seven months and, as such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess such personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, do verily believe it to be true.
2. Unless otherwise defined herein, all capitalized terms shall have the meaning as set out in the Initial Order (as defined below).
3. This affidavit is sworn in support of a motion by BTI for an extension of the Stay Period and related relief.

OVERVIEW

4. On December 9, 2009, BTI obtained an order (the "**Initial Order**") for protection pursuant to the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
5. On January 8, 2009, BTI obtained an order, which among other things, extended the stay of proceedings contained in the Initial Order until January 30, 2009.
6. Since the granting of the Initial Order, the Company, with the assistance of John Walker of Alvarez & Marsal Canada ULC (the "**CRO**") and the Court-appointed monitor, BDO Dunwoody Limited (the "**Monitor**"), has had constructive negotiations with its primary stakeholders including Royal Bank of Canada ("**RBC**"), Export Development Canada, Maple Trade Finance Inc., various suppliers and major customers.
7. Details of the arrangements, negotiations and financial status of BTI are set out in the Monitor's Second Report to the Court (the "**Second Report**"). I have reviewed a draft of the Second Report and agree with and adopt the statements of the Monitor.

FINANCIAL AND OPERATIONAL STATUS

8. As described in my affidavit sworn on January 5, 2009 (the "**First Extension Affidavit**"), following the date of the Initial Order, BTI has taken steps to consolidate operations of two of its divisions in order to reduce overhead costs with the ultimate goal of returning BTI to a cash flow positive position. A copy of the First Extension Affidavit is attached hereto as Exhibit "A".
9. The movement of equipment discussed in the First Extension Affidavit was substantially completed on January 16, 2009. The customer approvals of relocated parts manufacturing have started and will substantially be complete by March 15, 2009.
10. Due to the general slow down in the automotive industry over December and January, production at BTI has been below previously forecast levels. As a consequence of the reduction in future forecast production, on January 19, 2009 BTI temporarily laid off

approximately 25 employees. This temporary layoff is expected to last approximately three weeks.

11. BTI has also had various meetings with its employees and with union representatives to discuss the Company's restructuring plans.

STATUS OF THE RESTRUCTURING

12. BTI has also been in discussions with its major customers including, Ford Motor Company, General Motors, Bendix Commercial Vehicle Systems LLC, TRW Automotive Inc., Gates Canada Inc., Schaeffler Canada Inc., Getrag Corporation with a view to entering into arrangements with each of these parties which will allow BTI to operate in the ordinary course as the restructuring proceeds. These discussions are ongoing.
13. BTI has also had various discussions with RBC, its DIP lender. As described in the Second Report, RBC has agreed to extend the DIP Facility until March 16, 2009 and increase the maximum availability to \$2.5 million, based on the terms and conditions contained in the Second DIP Loan Amendment Agreement attached to the Second Report.
14. The Second Report also provides a status update in respect of the Marketing and Sales Process which was previously approved by the Court. As described in the Second Report, BTI is in the process of offering for sale the Alumetco Division property and other redundant assets and has continued to work with Trenwith Group, LLC to progress efforts to secure refinancing for the core business and to canvass the market regarding a sale of some or all of the remaining BTI operations.

CONCLUSION

15. As a result of the actions described above and in the Second Report, I verily believe that the Company has made good progress in its restructuring efforts and negotiations with its primary stakeholders. BTI has acted and is acting in good faith and with due diligence.

Court File No: 08-CL- 7888-00CL

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 BURLINGTON TECHNOLOGIES INC.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ERWIN A. OVERMEYER
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LAWYERS for the Applicant Burlington
Technologies Inc.

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 PLAN OF COMPROMISE
OR ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.**

**AFFIDAVIT OF ERWIN A. OVERMEYER
(Sworn March 9, 2009)**

I, **ERWIN A. OVERMEYER**, of the City of St. Catharines, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Financial Officer of Burlington Technologies Inc. ("**BTI**" or the "**Company**"), a position I have held for the last eight months and, as such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess such personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, do verily believe it to be true.
2. Unless otherwise defined herein, all capitalized terms shall have the meaning as set out in the Initial Order (as defined below).
3. This affidavit is sworn in support of a motion by BTI for an extension of the Stay Period and related relief.

OVERVIEW

4. On December 9, 2009, BTI obtained an order (the "**Initial Order**") for protection pursuant to the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
5. On January 8, 2009, BTI obtained an order, which among other things, extended the stay of proceedings contained in the Initial Order until January 30, 2009.
6. On January 30, 2009, BTI obtained an order further extending the stay of proceedings until March 16, 2009 and amending the DIP Facility.
7. Since the granting of the Initial Order, the Company, with the assistance of John Walker of Alvarez & Marsal Canada ULC (the "**CRO**") and the Court-appointed monitor, BDO Dunwoody Limited (the "**Monitor**"), has had constructive negotiations with its primary stakeholders including Royal Bank of Canada ("**RBC**"), Export Development Canada, Maple Trade Finance Inc., various suppliers and major customers.
8. The Status of BTI's restructuring is fully described in the Third Report of the Monitor dated March 9, 2009. I have reviewed a draft of the Third Report of the Monitor and I agree with and adopt the contents thereof.

STATUS OF BTI's OPERATIONS AND RESTRUCTURING

9. As described in my affidavit sworn on January 5, 2009 (the "**First Extension Affidavit**"), following the date of the Initial Order, BTI has taken steps to consolidate operations of two of its divisions in order to reduce overhead costs with the ultimate goal of returning BTI to a cash flow positive position. A copy of the First Extension Affidavit is attached hereto as Exhibit "A".
10. The movement of equipment discussed in the First Extension Affidavit was substantially completed on January 16, 2009. The necessary customer approval of production for relocated parts manufacturing has been substantially obtained as well.

11. Due to the general slow down in the automotive industry, production at BTI has been below previously forecast levels. As a consequence of the reduction in future forecast production, on January 19, 2009 BTI temporarily laid off approximately 25 employees. This temporary layoff lasted two weeks and the employees have since returned to work.
12. BTI has had various meetings with its employees and with union representatives to discuss the Company's restructuring plans.
13. BTI has also been in discussions with its major customers including, Ford Motor Company, General Motors, Bendix Commercial Vehicle Systems LLC, TRW Automotive Inc., Gates Canada Inc., Schaeffler, Getrag Corporation with a view to entering into arrangements with each of these parties which will allow BTI to operate in the ordinary course as the restructuring proceeds. BTI and RBC have come to an understanding with the majority of these customers with respect to the business terms of an accommodation agreement and are presently in the process of finalizing such agreements. BTI hopes to have the accommodation agreements finalized and brought to the Court for approval in the near future.

CONCLUSION

14. I verily believe that the Company has made good progress in its restructuring efforts and negotiations with its primary stakeholders. BTI has acted and is acting in good faith and with due diligence.
15. BTI continues to believe that its core business and operations are viable and that, if it is provided with a reasonable period of protection, it will be in a position to refine and implement a restructuring plan for BTI so as to maximize value for its stakeholders and preserve jobs for its employees.

Court File No: 08-CL- 7888-00CL
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ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ERWIN A. OVERMEYER
(Sworn March 9th, 2009)

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**LAWYERS for the Applicant Burlington
Technologies Inc.**

Court File No: 08-CL- 7888-00CL
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ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ERWIN A. OVERMEYER
(Sworn April 23rd, 2009)

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LAWYERS for the Applicant Burlington
Technologies Inc.

TAB 3

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 PLAN OF COMPROMISE OR
ARRANGEMENT OF BURLINGTON TECHNOLOGIES INC.**

FIFTH REPORT OF THE MONITOR

(April 23, 2009)

INTRODUCTION

1. Burlington Technologies Inc. ("**BTI**") filed for and obtained protection from its creditors by Order of this Honourable Court (the "**Initial Order**") made pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") on December 9, 2008. Pursuant to the Initial Order, BDO Dunwoody Limited was appointed as monitor (the "**Monitor**") of BTI. A copy of the Initial Order is attached as **Exhibit "A"**.
2. The stay of proceedings has been extended from January 8, 2009 to May 1, 2009 pursuant to various Orders of this Honourable Court made on each of January 9, 2009, January 30, 2009 and March 13, 2009 (the "**Extension Orders**" and each an "**Extension Order**"). A copy of each Extension Order is attached as **Exhibit "B"**. Each Order has also either approved or extended the DIP financing extended to BTI by Royal Bank of Canada ("**RBC**").
3. By Order of this Honourable Court made on April 15, 2009 (the "**Approval Order**"), the accommodation agreement with General Motors Corporation, the accommodation agreement with Gates Canada Inc., and the auction services agreement with Maynards Industries Ltd. and Beta Die Casting Equipment were approved substantially in the forms

appended to the Monitor's fourth report dated April 9, 2009 (the "**Fourth Report**"). A copy of the Approval Order is attached as **Exhibit "C"**.

4. The purpose of this fifth report of the Monitor (the "**Fifth Report**") is to advise this Honourable Court with respect to:

- (a) the activities of the Monitor and BTI since the Fourth Report;
- (b) the accommodation agreement reached with Schaeffler Canada Inc. and Schaeffler Group USA Inc. (collectively, "**Schaeffler**") and the ongoing negotiations in respect of accommodation agreements with certain other of BTI's customers, which include Bendix Commercial Vehicle Systems LLC ("**Bendix**"), Ford Motor Company ("**Ford**"), Getrag Corporation ("**Getrag**") and TRW Automotive Systems Inc. ("**TRW**");
- (c) the status of the sale process with respect to BTI's Core Assets (as that term is defined in the Second Report of the Monitor dated January 26, 2009);
- (d) the status of the Ford tooling cancellation claims owing pursuant to the letter agreement entered into with Ford as of February 26, 2009 (the "**Ford Letter Agreement**");
- (e) BTI's cash-flow for the period ending April 10, 2009;
- (f) The status and proposed extension of the DIP Loan and cash flow projections to 8, 2009; and
- (g) The Monitor's comments and recommendations in connection with BTI's motion to extend the stay of proceedings until May 8, 2009.

5. This Fifth Report contains the Monitor's conclusions and recommendations to this Honourable Court in connection with BTI's motion seeking approval of:

- (a) this Fifth Report and the Monitor's activities outlined therein;
- (b) the Schaeffler accommodation agreement;

- (c) an extension of the Stay Period contained in the Initial Order from May 1, 2009 to May 8, 2009; and
 - (d) a fourth DIP Loan amendment agreement (the “**Fourth DIP Loan Amendment Agreement**”), which, among other things,
 - (i) extends the term of the DIP Loan Agreement from May 1, 2009 to May 8, 2009, 2009 (subject to certain events of default).
6. Capitalized terms not defined in this Fifth Report are as defined in the Initial Order and the Fourth Report. All references to dollars are in Canadian currency, unless otherwise noted.

BTI'S AND MONITOR'S ACTIVITIES

Overview

7. The Monitor continues to work closely with Mr. John Walker of Alvarez & Marsal ULC, BTI's Chief Restructuring Officer (the “**CRO**”), and continues to advise and assist BTI on a number of matters, specifically, but not limited to, the following:
- (a) the regular review of BTI's receipts and disbursements;
 - (b) the bi-weekly cash-flow reporting to RBC and Export Development Canada (“**EDC**”);
 - (c) the detailed monthly reporting to RBC and EDC;
 - (d) the sale of the Core Assets, which is discussed in more detail below;
 - (e) the sale of the Redundant Assets; and
 - (f) various creditor and other reporting matters.
8. BTI continues to be in regular communication with its customers, including its Key Customers, and continues to respect all customer orders and obligations incurred during these CCAA proceedings.