

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 30TH DAY OF
JUSTICE LEDERMAN) JANUARY, 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 January 27, 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) 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 March 16, 2009; (iii) approving the Second Report to Court of BDO Dunwoody Limited the Monitor dated January 27, 2009 (the "**Second Report**") and the activities of the Monitor as set out therein; and (iv) approving the DIP Loan Amending Agreement dated January 27, 2009, amending the DIP Loan Agreement (as defined in the Initial Order) (the "**Second DIP Loan Amendment Agreement**"); was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the affidavit of Erwin Overmeyer, sworn January 27, 2009 and on hearing the submissions of counsel for the Applicant, Royal Bank of Canada and the Monitor, no one else appearing although duly served as appears from the affidavit of service of Laura Bowles -Dove sworn January 27, 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 hereby dispenses with further service thereof.

EXTENSION OF STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that the terms of the Initial Order including, without limitation, the “Stay Period” as defined in paragraph 15 to the Initial Order, be and are hereby extended to March 16, 2009, subject to the terms of this Order.

APPROVAL OF MONITOR’S REPORT

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

APPROVAL DIP LOAN AMENDMENT AGREEMENT

4. **THIS COURT ORDERS** that the Second DIP Loan Amendment Agreement, substantially in the form attached to the Second Report, be and is hereby approved and that the maximum amount of the borrowings under the DIP Facility (as defined in the Initial Order) be and is hereby increased from \$1,500,000 to \$2,500,000.

5. **THIS COURT ORDERS** that to the extent that the margin position of the Applicant falls below the projected margin calculation as set out in the Second Updated Projected Cash Flow (the “**Current Margin Projection**”) as may be amended in accordance with paragraph 6 hereof, the Applicant shall repay pre-filing amounts owing by BTI to RBC by an amount equal to such margin deficiency (and may use amounts available under the DIP Facility to do so).

6. **THIS COURT ORDERS** that all amounts received by the Applicant:

- (a) as net proceeds from the sale of the Redundant Assets (as defined in the Second Report);
- (b) payments received from Ford Motor Company (or any of its affiliates) in connection with the Applicant's equipment cancellation claim relating to the 14 Engine IS7G-8K556-AJ/3S4G-8K556-AB/4M5G-8K556-EB shall, at the option of RBC; and
- (c) as proceeds of those accounts receivable presently included in the Current Margin Projection which are financed in accordance with paragraph 7 hereof.

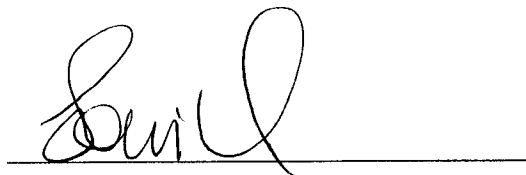
be paid by the Applicant to RBC in reduction of pre-filing amounts owing by BTI to RBC pursuant to a credit agreement dated January 11, 2008, as amended, between BTI and RBC. Provided that the Projected Margin Calculation be amended to take into account those payments set out in paragraph 6(c) hereof.

APPROVAL OF DEUTSCHE BANK AGREEMENT

7. **THIS COURT ORDERS AND DECLARES** that, notwithstanding any terms of the Initial Order, all of the right, title and interest, if any, of the Applicant in any and all accounts receivable of the Applicant (and Related Collateral as defined in the DB Agreements) which are assigned to or purchased by Deutsche Bank AG ("**DB**") pursuant to financing, assignment and/or purchase arrangements (the "**DB Agreements**") to be entered into between the Applicant and DB with the consent of the DIP Lender and the Monitor (the "**Accounts Receivable**"), shall vest and are hereby vested in and to DB, absolutely and forever, free and clear of and from any and all Encumbrances in favour of any Person (as such terms are defined in the Initial Order) including without limitation the Charges created by the Initial Order and that DB shall have a first ranking security interest in the Accounts Receivable in priority to all Encumbrances in favour of any Person, all of which shall apply both during the Stay Period and thereafter.

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JAN 30 2009



Court File No: 08-CL-7888-00-CL
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PROCEEDING COMMENCED AT
TORONTO

ORDER

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