

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: 500-11-022700-047

SUPERIOR COURT

(Sitting as tribunal designated under the
Companies' Creditors' Arrangement Act)

**IN THE MATTER OF THE
ARRANGEMENT OF:**

EAUX VIVES HARRICANA INC., legal person, duly constituted under the laws of Québec, having its head office at 11 Chemin des Sablières, St-Mathieu-d'Harricana, Province of Québec, District of Abitibi, JOY 1M0;

-and-

EVH U.S.A. INC., legal person, duly constituted under the laws of Delaware, U.S.A., having a place of business at 17821 East 17th Street, suite 193, Tustin, California, 92780, U.S.A.;

Petitioners

-and-

RICHTER & ASSOCIÉS INC., a body politic and corporate, duly incorporated according to law, having a place of business at 2 Place Alexis-Nihon, 3500 de Maisonneuve West, 22nd Floor, in the City of Montreal, Province of Quebec, H3Z 3C2

Monitor

**MOTION FOR THE EXTENSION OF TIME
FOR THE FILING OF THE PLAN OF ARRANGEMENT
(Article 11(4) of the *Companies' Creditors Arrangement Act*)**

**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN
COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTREAL,
PETITIONERS, EAUX VIVES HARRICANA INC. AND EVH U.S.A. INC.,
RESPECTFULLY SUBMIT THAT:**

INTRODUCTION

1. Eaux Vives Harricana INC. ("EVH INC."), is a legal person, duly constituted under the laws of Québec;

2. EVH INC. is in the business of harnessing, bottling, distributing and marketing bottled water;
3. EVH U.S.A. INC. ("**EVH U.S.A.**"), is a legal person, duly constituted under the laws of Delaware, U.S.A.;
4. EVH U.S.A. solely acts as a marketing, sales and distributing agent for EVH INC. and has no customers other than EVH INC.;
5. As such, EVH U.S.A. is dependent upon EVH INC., which explains the present joint filing;
6. EVH INC. and EVH U.S.A. (collectively, "**EVH**", which may from time to time refer to EVH INC. or EVH U.S.A.) are currently unable to meet their liabilities generally as they become due and have sought the issuance of an initial order under the CCAA, as more fully appears from the Court record;
7. Indeed, on March 19, 2004, EVH filed a Motion for the Issuance of an Initial Order (the "**Initial Motion**"), the whole as more fully appears from the Court record;
8. As per the terms of the order rendered by Mr. Justice François Rolland, dated March 19, 2004 (the "**Initial Order**"), the remedies provided for by the CCAA are applicable to EVH;
9. The Initial Order granted EVH, amongst other things, a stay of proceedings for thirty (30) days, allowed for the filing of a plan of arrangement, appointed Richter & Associés Inc. as Monitor and granted other reliefs, as more fully appears from the Court record;
10. Within ten (10) days from the Initial Order and in accordance with same, the Monitor sent a copy of it to every known creditor of EVH;
11. EVH hereby reiterates any and all of the allegations of the Initial Motion (which is reproduced hereinafter);
12. EVH is now seeking an extension of the Initial Order for a period of forty-five days (45) days, expiring on June 2, 2004 (the "**Extended Period**");

BACKGROUND

13. The Petitioner refers this Court to the content of its Initial Order, which is in this Court's record but hereinafter reproduced for convenience purposes:
 1. Eaux Vives Harricana INC. ("**EVH INC.**"), is a legal person, duly constituted under the laws of Québec;
 2. EVH INC.'s chief place of business is situated at 11 Chemin des Sablières, St-Mathieu-d'Harricana, Province of Québec, District of Abitibi;

3. EVH Inc. has office facilities located at 2550 Daniel Johnson Blvd., suite 345, Laval, Province of Québec, District of Laval;
4. EVH INC. is in the business of harnessing, bottling, distributing and marketing bottled water;
5. EVH U.S.A. INC. ("EVH U.S.A."), is a legal person, duly constituted under the laws of Delaware, U.S.A.;
6. EVH U.S.A. solely acts as a marketing, sales and distributing agent for EVH INC. and has no customers other than EVH INC.;
7. As such, EVH U.S.A. is dependent upon EVH INC., which explains the present joint filing;
8. EVH INC. and EVH U.S.A. (collectively, "EVH", which may from time to time refer to EVH INC. or EVH U.S.A.) are currently unable to meet their liabilities generally as they become due and hereby seek the issuance of an initial order under the CCAA containing the remedies and relief more fully outlined in the conclusions of this Motion;
9. The remedies provided for by the CCAA are applicable to EVH for the reasons hereinafter set forth;

PETITIONERS

Corporate History

A) EVH Inc.

10. EVH INC. was incorporated pursuant to Part 1A of the *Companies Act*, R.S.Q., c. C-38 on February 28, 1997;
11. On December 31, 1998, the Québec Government granted EVH INC. the necessary permit(s) pertaining to the harnessing of underground water for bottling purposes;
12. In August 2000, Parmalat Canada Limited ("Parmalat") acquired a participation in EVH INC.'s share capital in an amount of approximately \$16.9 million;
13. EVH INC.'s share capital, as of today, can be described as follows:

Authorized	Issued and fully paid
Unlimited number of: Class A (voting) shares; Class B (non-voting) shares; Class C (non-voting) shares; Class D (non-voting) shares; one (1) Class E share;- all with nominal value.	1,000,000 Class A shares; 1 Class E share.

	Shareholders	% of Class A Shares
	Parmalat	60%
	Gestion E.V.H. Harricana INC.	40 %

14. As more fully described hereinafter, EVH Inc., after building an ultra modern water bottling plant, began its operations during the fall of 2002;

B) EVH U.S.A.

15. EVH USA was incorporated pursuant to a Certificate of Incorporation issued by the State of Delaware on April 19, 2002;

16. The intent was for it to operate as an independent commission based U.S. brokerage company;

17. EVH USA based employees have essentially all been sales and marketing, focused exclusively on sales within the United States (with the exception of the marketing director, who had responsibility for marketing for both Canada and the United States);

18. EVH USA's share capital, as of March 17, 2004 can be described as follows:

Authorized	Issued and fully paid
1000 shares of Common Stock	1 Common Share;
Shareholders	% of Common Shares
EVH INC.	100%

19. As more fully described hereinafter, EVH U.S.A. began its operations during October, 2002;

The Plant

20. In February 2001, EVH INC. announced the construction of a water bottling plant, the cost of which was at the time estimated to \$50 million (the "**Plant**");

21. Since EVH INC. had no financing arrangement, Parmalat agreed, to the extent it be reasonable, to finance the construction of the Plant;

22. Beginning in November 2001, Parmalat made several loans to EVH INC. (the "**Loans**");

23. As of September 2002, the Loans totaled approximately \$45 million (amount exceeded by far as of today, as detailed hereinafter);

The Operations

24. On September 18, 2002, EVH INC. inaugurated the ultra-modern water bottling Plant located in Saint-Mathieu d'Harricana, Abitibi and shortly thereafter began its operations;
25. The Plant, with two bottling lines, has a production capacity of 50,000 bottles per hour and 14 million cases per year;
26. Based on full production capacity, EVH INC. anticipated revenues of \$75 million per year;
27. The Plant allows for both the fabrication and filling of bottles in a contamination proof environment;
28. The water bottled by EVH INC. is the only one in the world to be drawn from an "esker", an 8,000 year old geological formation which operates as natural filter;
29. EVH INC. employed approximately 50 persons;
30. EVH initially distributed water bottles in Canada (Québec and Ontario), the United States (Arizona, California, Oregon, Washington, Colorado and Texas) and in Asia (Singapore);
31. Amongst EVH's most important clients, were : Wal-Mart Canada, Albertson's, Safeway, Ralph's, A & P, Metro and Sobey's;
32. However, EVH INC's level of sales never generated sufficient revenues to finance its operations;
33. In order to fund said continuing losses, Parmalat made further Loans to EVH INC. up and until November 2003;
34. As of such date, Parmalat had loaned a total of approximately \$85 million to EVH INC.;
35. The Loans are secured by a deed of hypothec granted by EVH INC. on the universality of its assets and undertakings in favor of 2975483 Canada Inc., a subsidiary of Parmalat, acting as agent and "*fondé de pouvoir*" of Parmalat;

Financial Difficulties

36. In the course of December 2003, Parmalat, in light of the facts that EVH INC. failed to reach a level of sales that would have secured its profitability and given the fact that EVH always encountered very substantial operating losses, decided to withdraw its continuing financial support of EVH's operations and informed EVH that it would not make any new loan or advances;
37. EVH INC. decided to shut down the Plant on February 13, 2004 and terminate the employment of approximately 30 employees
38. Since November 2003, EVH U.S.A. has terminated the employment of five (5) employees;
39. Ten (10) persons are currently employed by EVH INC. and four by EVH USA. These employees are devoting their time and energy to the sale of the stock of water bottles remaining in EVH INC's inventory (the "**Outstanding Inventory**");
40. As of March 18, 2004, the Outstanding Inventory is approximated by EVH INC. to be 177 000 cases;
41. EVH INC. estimates that a fire sale of the Outstanding Inventory and the collection of receivables will generate, during the next thirty (30) days, approximately \$500,000 allowing EVH to "keep its light on" until April 16, 2004;

FINANCIAL SITUATION OF EVH

42. As of the date hereof, EVH is indebted towards its various creditors in the amount of approximately CAD\$100,278,232 (which does not include any accelerated or termination payments) as more fully described hereinafter;

EVH	CAD\$
Secured Creditors	Amounts
2975483 Canada Inc. (including interest)	87,488,942
Unsecured Creditors	Amounts
Suppliers	5,535,000
Crown	3,429,290
Investissement Québec	3,000,000
Other	825,000
TOTAL	100,278,232

43. These amounts have been prepared to the best of EVH's knowledge and are obviously subject to review and adjustments;

44. Moreover, EVH has incurred very substantial losses from its operations in each of the fiscal years 2002 (\$5.7 million) and 2003 (\$35.6 million);

45. Up to February 27, 2004, EVH has incurred year to date losses in the amount of \$3.5 million;

46. The financial difficulties of EVH INC. arose primarily as a direct consequence of EVH's inability to reach a sufficient level of sales and of competitive pricing pressures leading to significantly lower margins;

47. These difficulties are also driven by the dynamics of industry consolidation and heightened competition;

48. EVH U.S.A. is not in a position to operate without the support of EVH INC.;

49. Consequently, EVH is in the process of initiating a sale process with regard to its business, as more fully detailed hereinafter;

50. Given the reasons explained hereinabove and after numerous internal discussions, EVH has come to the conclusion that it has no other alternative but to file for protection under the CCAA and seek the Court's protection in order to evaluate the possibility of a sale of all of EVH INC.'s business, in order to propose a plan of arrangement to all of its creditors with the objective to maximize the payment to same;

51. This Motion was prepared and filed as soon as EVH realized the seriousness of its financial situation and the necessity to avail itself of the remedy provided for by the CCAA;

52. EVH has taken, and will continue to take, all the available measures and steps required in order to maximize the payment to its creditors;

53. In light of the circumstances, EVH has no other alternative but to avail itself of the special remedies provided for in the CCAA in order to maintain its integrity for the benefit of all of its creditors;

54. EVH INC. and EVH U.S.A. file in support hereof a copy of their most recent financial statements applicable to them on a consolidated basis, namely for the fiscal year 2003, the whole as appears from a copy of said financial statements filed in support herein as **Exhibit R-1**;

55. In addition, EVH INC. and EVH U.S.A. file in support herein, as **Exhibit R-2**, their most recent internal financial statements on a consolidated basis;

56. Furthermore, EVH INC. and EVH U.S.A. file in support herein, as **Exhibit R-3**, a thirty-day cash flow forecast on a consolidated basis;

57. EVH INC. and EVH U.S.A. have prepared Exhibit R-3 to the best of their knowledge, given the information available;

58. Said exhibits further evidence the necessity for EVH to benefit from the protection offered by the CCAA;

APPLICATION OF THE CCAA

59. As hereinabove stated, EVH is indebted to its various creditors in an amount that exceeds Cdn.\$5,000,000;

60. Indeed, as specified above, EVH owes its current creditors an amount of approximately CAD\$100,278,232 (not including any accelerated or termination payments);

61. Thus, EVH INC. and EVH U.S.A. clearly qualify as debtor companies under the CCAA and meet the requirements of Section 3 of said Act;

ARRANGEMENT

62. Given the above, EVH hereby seeks that an order be rendered under the CCAA and that it be allowed to file a joint plan of arrangement which will be submitted to all of its creditors;

63. EVH INC. is currently evaluating the possibility of a sale of its business, so that its creditors fully benefit from a viable plan of arrangement, which plan will maximize value for all creditors;

64. Indeed, on March 10, 2004, EVH INC. mandated Scotia Capital Inc. to prepare an information package and to contact potential purchasers likely to be interested in the purchase of its business, the whole as more fully appears from a copy of the said agreement filed in support hereof as **Exhibit R-4**;

65. EVH should be allowed to honour the Agreement R-4 and the Monitor and EVH should be allowed to continue to collaborate with Scotia Capital Inc.;

66. It is the current intention of EVH to maximize the payment to its creditors;

67. EVH expects that the payments to be made as per the arrangement should be completed within six (6) months from the filing of said plan of arrangement;

68. EVH believes that the sole plausible mean to maximize the payment to its creditors is through an order under the CCAA and the filing of a plan of arrangement, and that no other process is likely to produce such substantial benefits for EVH's creditors;

69. EVH will be submitting a final arrangement to all of its creditors which shall take into account the particular situation of each class of the EVH's creditors, namely:

- a) secured creditors;
- b) employees;
- c) unsecured creditors; and
- d) tax creditors;

70. Should a sale of assets materialize, the plan will provide for the distribution of the purchase price to the creditors;

71. EVH is confident that the plan of arrangement will allow it to come to an arrangement with its creditors and satisfy their monetary claims, and that such recourse is the only plausible means of maximizing the payment to said creditors;

72. However, EVH is not in a position, at this early stage, to determine the payment which will be made to its Creditors;

73. EVH is confident that the filing of the plan of arrangement will offer all of its creditors better treatment than they would otherwise receive if EVH was placed into bankruptcy;

74. EVH is obviously, at this early stage, not in a position to determine the payments to be made to any of its creditors. However, preliminary thoughts have led EVH to believe that a plan could be articulated as hereinafter described;

Secured Creditors

75. The offer to the secured creditors could take the form of a payment of a certain amount of money;

Employees

76. Given the importance of the support of the employees, EVH should be authorized to continue to make any and all salary payment of its employees and should be allowed to pay all amounts owing in relation to said salary earned, including vacation pay, even if they would otherwise be stayed by the order to be rendered hereunder but excluding any pay in lieu of salary or any other like amount;

77. EVH intends to propose some payment for any other amount not paid to the said employees;

Unsecured Creditors

78. EVH intends to offer its unsecured creditors a basket under which small claims could be fully paid as well as a distribution fund under which the unsecured creditors' claims would be paid *pro rata*;

Taxes

79. EVH intends to fully pay all claims related to tax liabilities;

DEBTOR IN POSSESSION FINANCING

80. Given the limited revenues generated by the Outstanding Inventory and the fact that EVH INC. has ceased to operate, additional funds might be necessary should EVH INC. decide to start again and continue operations until the filing of a plan of arrangement;

81. Thus, this Court should allow EVH to enter into a DIP financing agreement with any party ready to advance such funds, on such terms and conditions as the Court may later approve;

THE MONITOR

82. EVH asks this Court to appoint Richter & Associés Inc. (the "Monitor" or "Richter"), (Mr. Yves Vincent, CA, CIRP being the officer responsible for the administration), to act as monitor in conformity with the provisions of the CCAA and the order to be rendered herein;

83. In addition to any power or obligation provided for by the CCAA, EVH hereby requests this Honourable Court to grant the following powers and impose the following obligations upon the Monitor, namely, to:

- a) Notify, by regular mail, all of the creditors of EVH having a claim of more than CAD.\$250 of the rendering of the order to be rendered as per this Motion, and if so ordered, any renewal, extension or modification of same, within ten (10) days after the rendering of any such order;
- b) Prepare a form for the filing of any claim, as defined per Section 12 of the CCAA;
- c) Notify by regular mail all of the known creditors of EVH, a copy of the plan of arrangement to be submitted to the creditors, together with a notice of convocation, a form of proof of claim, a proxy, a letter of votation for the purpose of the creditors' meeting which will be held with respect to the plan of arrangement to be filed, the whole at least fifteen (15) days prior to said meeting of creditors;
- d) Receive any proof of claim to be submitted by any of the creditors of EVH;
- e) Administer and adjudicate, in collaboration with EVH, any proof of claim submitted by any of the creditors of EVH or any alleged creditors of EVH;
- f) Dismiss, in collaboration with EVH, any proof of claim filed by any creditor or alleged creditor of EVH, under reserve of the right of the creditor to appeal to this Court to determine same in the plan of arrangement within ten (10) days of such notice of disallowance, each creditor having the burden of establishing his claim;
- g) File and present to the Court any proceeding, motion or petition or any other demand, required or appropriate, or that it may feel to be appropriate or required with respect to:
 - (i) the affairs of EVH;
 - (ii) the plan of arrangement;
 - (iii) the determination of any right of EVH or any of its creditors or co-contractants;
 - (iv) any advice or instructions it may require or to seek the help of this Court;
 - (v) any other matter it feels is required or appropriate;
- h) Preside over the first meeting of creditors and decide any question or dispute arising at the meeting, from which such decision any creditor may appeal to the Court, within ten (10) days of the rendering of same;
- i) Obtain, at the meeting of creditors, the vote of the creditors and admit or reject a proof of claim for the purpose of voting, subject to the right of said creditor to appeal the Monitor's decision to the Court within ten (10) days of said decision;
- k) Send a notice to any creditor, and publish a notice to the said creditors in a Montreal French and English newspapers, seeking the filing of proof of claims before time limit set forth for the filing of proof of claims (the "Bar Date"), failing which any creditor will be barred from doing so and EVH will be discharged of any said claims;

- l) Allow the Monitor, in conjunction with EVH, to determine the Bar Date, which shall be at least 30 days after the sending of the notices hereinabove referred to;
- m) Proceed to the payment of monies which must be paid to the creditors of EVH in the manner provided for in the plan of arrangement from the amounts which shall be remitted to it by EVH for the purpose of such payments;
- n) Provide 2975483 Canada Inc. with any information, report or document it may require;
- o) Exercise, with the consent of EVH and 2975483 Canada Inc., such control over the properties and assets of EVH that may be required or necessary for the protection of such properties and assets;
- p) Hire and retain, with the consent of EVH and 2975483 Canada Inc., any employees and/or consultants required or desired in order to carry on its duties;
- q) Hire and retain, with the consent of EVH, 2975483 Canada Inc., the services of any professional required or desired, including, without limiting the generality of the foregoing, any accountant, lawyer, notary, etc.;
- r) Collaborate with Scotia Capital Inc. in the fulfillment of their mandate and duties;
- s) Delegate, if required or necessary, to any person duly qualified in the sole opinion of the Monitor, and with the consent of EVH and 2975483 Canada Inc., the powers enumerated herein or any thereof;
- t) Obtain from EVH the information which it shall judge useful regarding the evolution of its financial situation and the progress of its restructuring plan;
- u) Execute any deed, contract or agreement or do anything necessary or required in order to give full effect to the plan of arrangement;
- v) Assist and help EVH in its restructuring and its discussions with any of its creditors, co-contractants or any other party;
- w) Assist EVH in negotiating and settling creditors' claims;
- x) File or oppose any claim or proceeding filed with respect to any of the assets of EVH, the whole with the consent of EVH and 2975483 Canada Inc.;
- y) Certify as a true copy, any copy of the order to be rendered hereof and any modification, renewal of same, or any other order;
- z) Send notices of stay of proceedings, as if it were a trustee in bankruptcy, with respect to any proceedings or claim whether judicial, administrative or otherwise;
- aa) With the authorization of the Court, do anything or enter into any agreement whatsoever with a view to protecting EVH, its assets, its creditors, or for the best interests of EVH or the plan of arrangement;
- bb) With the authorization of the Court, and with the consent of EVH, 2975483 Canada Inc., enter into any agreement whatsoever in order to sell all or parts of the assets of EVH;
- cc) Exercise any and all powers of a trustee acting pursuant to a Notice of Intention or a Proposal under the *Bankruptcy and Insolvency Act* with a view to helping and assisting EVH in the filing of a plan of arrangement;

84. In addition to the above, the Monitor should benefit from the granting of various orders, as further detailed in the conclusions of this Motion;

85. This Court should allow EVH and/or the Monitor and/or 2975483 Canada Inc. to file any motion or petition in order to expand, modify or clarify the powers and the obligations of the Monitor;

86. Richter & Associés Inc. accepts to act as monitor, the whole as more fully appears from the consent filed in support herewith as **Exhibit R-5**;

STAY OF PROCEEDINGS AND ORDER

87. It is in the best interest of EVH and its creditors to preserve the *status quo*;

88. The provisions of the CCAA and the remedies provided therein are the only appropriate measures to be taken in light of the circumstances at hand, given that they will ensure the *status quo* of EVH's business, the whole without prejudice to the rights and recourses of all of its creditors, as well as ensure that EVH's assets and properties are conserved and preserved for the benefit of all its creditors;

89. EVH therefore requests that a meeting of all creditors affected by the proposed arrangement be convened at a date chosen by EVH and the Monitor and with the consent of 2975483 Canada Inc. at a location to be chosen by the Monitor;

90. EVH requests the permission to file a plan of arrangement to each of its creditors which plan could be a joint plan, should EVH and the Monitor believe it is appropriate;

91. A ruling pursuant to article 11 of the CCAA is necessary for the above-mentioned reasons;

92. Given the above, it is in the best interests of the parties that this Court order a stay of all proceedings, for a period of thirty (30) days from the rendering of the order, or any renewal thereof, which will have the general effect of:

a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of EVH;

b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against EVH;

c) prohibiting, until otherwise ordered by the court, the commencement or continuation of any other action, suit or proceeding against EVH;

d) prohibiting other party(ies) from canceling or otherwise modifying any contract of any nature whatsoever, including, without limiting the generality of the foregoing, any contract entered into by EVH and any of its supplier, co-contractant or other, providing the services rendered or the goods supplied after the rendering of the order, are paid for under normal terms;

93. In addition to this, it is appropriate that this Court, for the same period, and in accordance with section 11.4 CCAA, declares, as per said provision, that the right of Her Majesty in right of Canada may not be exercised under subsection 224(1.2) of the *Income Tax Act* in respect of EVH nor by Her Majesty in right of a Province under provincial legislation substantially similar to that subsection, in respect of EVH, but ending as per the terms of said section 11.4;

94. Given the fragile state EVH at this time, together with the very real threat that insolvency proceedings may soon be taken against it, it is urgent that said order be rendered;

95. 2975483 Canada Inc. agrees with the filing of this Motion and consents to the order sought;

CONCLUSIONS SOUGHT

96. Given the fact that, as described in this Motion, the circumstances are such that an order should be rendered, and given the fact that EVH has acted and is acting in good faith and with due diligence, EVH respectfully submits that this Motion should be granted as per its conclusions;

97. EVH requires the interim relief requested in this Motion in order to evaluate the possibility of a sale of its assets, so its creditors can receive a payment and that said payment be maximized;

98. Considering the urgency of the situation, including EVH's precarious financial situation, persistent judicial and extra-judicial demands for payment by suppliers and the possibility of the deposit of a motion for the issuance of a receiving order by a creditor with a vindictive purpose, EVH respectfully submits that the service of a notice of presentation of the present Motion is not necessary and would not serve the interests of its creditors and/or of justice in general;

99. At the present time, no procedure has been instituted against EVH pursuant to the *Winding-Up Act* or the *Bankruptcy and Insolvency Act*, and EVH has not made any voluntary assignment;

100. A Judge of the Superior Court, sitting in Chambers, has the jurisdiction to hear the present Motion *ex parte*;

101. Therefore EVH requests this Honourable Court to:

a) Declare that EVH INC. and EVH U.S.A. are debtor companies, as per the definition of Section 2 of the CCAA and that said CCAA applies to them, as affiliated debtor companies and as per the criteria set forth in Section 3 of the CCAA, and that EVH INC. and EVH U.S.A. have fulfilled their burden of proof;

b) Render an order staying all of the proceedings;

c) Appoint Richter & Associés Inc. as monitor and determine the powers and obligations of said Monitor;

d) Allow EVH INC. to enter into a DIP financing agreement on such terms and conditions as this Honourable Court made subsequently order;

e) Allow for the filing of a plan of arrangement, which could be a joint plan of arrangement;

f) Allow for the convocation of a creditors' meeting for the purpose of voting on the plan of arrangement;

g) Grant various orders allowing EVH to maximize the payments to its creditors under the plan of arrangement to be filed;

h) Order that any order to be rendered herein be executory notwithstanding appeal;

102. The present Motion is well-founded in fact and in law;

The Operations since the Initial Order

14. Since the rendering of the Initial Order, EVH continued all of the operations it had at the time of the rendering of the Initial Order;

15. However, there were two (2) additional lay-offs of employees that took place since the Initial Order. Said lay-offs are in accordance with the forecasts;
16. EVH's inventory continued to be sold, and receivables are being collected;
17. In addition, efforts to find a buyer have continued;
18. Further to the issuance of the Initial Order, EVH maintained the operations it then had and took all the necessary steps in order to continue such operations;
19. The employees of EVH that worked during that period have been fully paid;
20. EVH has paid its suppliers, or made arrangements, for services rendered or goods provided after the rendering of the Initial Order;
21. As of today, all payments to the Crown (as defined in the Initial Motion) are current;
22. Since the rendering of the Initial Order, EVH has honoured its ongoing obligations;
23. EVH has taken, and will continue to take, all the available measures and steps required in order to maximize the payment to its creditors;
24. EVH has already filed its internal financial statement in support of the Initial Motion;
25. EVH files in support thereto, as **Exhibit R-1**, its latest cash flow forecast;
26. EVH has prepared Exhibit R-1 to the best of its knowledge, given the information available;

Financial Situation since the Initial Order

27. As stated earlier, the employees, the suppliers and the others creditors with claim that arose after the Initial Order have been paid. In addition, the Crown's claims are current;
28. EVH is not in breach of any of its obligations towards any third party for the period beginning after the Initial Order;
29. The sale of the inventory of EVH has continued;
30. EVH is further collecting its account receivables in the normal course of business;
31. EVH had filed as **Exhibit R-1** its latest cash-flow forecast;

SALE OF EVH OR ITS ASSETS

32. EVH had to conclude that it was in the best interest of its creditors to terminate its operations and to sell all of its assets;
33. Thus, as stated in the Initial Motion, Scotia Capital Inc. ("**Scotia**") has been retained to find a buyer;
34. Scotia has prepared a memorandum ("**Teaser**") to be sent to potential purchasers;
35. Indeed, the said Teaser has been sent to a number of parties that may be interested in concluding a transaction;
36. Additional parties will shortly be contacted;
37. There has been serious interest shown, and there are already three (3) signed confidentiality agreements that were received from interested parties;
38. Scotia will continue its efforts towards concluding a transaction;
39. Scotia has informed EVH that it is confident that a transaction will be completed;
40. The purchase price from that transaction shall be distributed in accordance with the plan of arrangement to be filed;

DEBTOR IN POSSESSION FINANCING

41. Given the limited revenues generated from the sale of the remaining inventory and the collection of the residual accounts receivables, and the fact that EVH INC. has ceased to operate, additional funds might be necessary;
42. Since the rendering of the Initial Order, EVH and its representatives have undertaken discussions in order to obtain DIP Financing;
43. Discussions are on going and EVH expects that said financing will be available in the near term;
44. Indeed, potential lenders have been contacted and some preliminary discussions have taken place;
45. The Monitor will be assisting EVH in its discussions and steps to obtain DIP Financing;
46. Thus, this Court should allow EVH to enter into a DIP financing agreement with any party ready to advance such funds, on such terms and conditions as the Court may later approve;

EXTENSION OF THE ORDER ISSUED UNDER THE CCAA

47. EVH has, since the issuance of the Initial Order, acted in good faith towards its employees, creditors and customers and has done everything in its power in order to maximize the payment to its creditors;
48. EVH will file a plan of arrangement but is not in a position to do so at this time;
49. EVH and the Monitor intend to call a Meeting of all EVH's creditors to approve the plan to be filed;
50. Given the above, EVH hereby seeks that an order be rendered under the CCAA extending the time for the filing of plan of arrangement which will be submitted to all of its creditors and maintain the stay of proceedings and the various orders rendered, the whole for the length of the Extended Period;

THE MONITOR

51. EVH asks this Court to confirm the appointment of Richter & Associés Inc., (Mr. Yves Vincent, C.A., C.I.R.P. being the officer responsible for the administration), to act as Monitor in conformity with the provisions of the CCAA and the order to be rendered herein;
52. In addition to any power or obligation provided for by the CCAA, EVH hereby requests this Honourable Court to grant the same powers and impose the same obligations upon the Monitor as in the Initial Order;

CONCLUSIONS SOUGHT

53. Given the fact that, as described in this Motion, the circumstances are such that an order should be rendered, and given the fact that EVH has acted and is acting in good faith and with due diligence, Petitioner respectfully submits that this petition should be granted as per its conclusions;
54. Indeed, an extension of the Initial Order during the Extended Period would be appropriate and for the best interest of EVH and its creditors;
55. It is in the best interests of EVH's employees, creditors and customers that the present Motion be granted as per its conclusions. Should the present Motion be granted as per its conclusions, EVH's creditors shall suffer no prejudice;
56. Considering the situation, EVH respectfully submits that the service of a notice of presentation of the present petition is not necessary and would not serve the interests of its creditors and/or of justice in general. In addition, no creditors, other than Robbie Manufacturing Inc. has asked to be served with this Motion, or any motion made by EVH;

57. A Judge of the Superior Court, sitting in Chambers, has the jurisdiction to hear the present motion *ex parte*;
58. Therefore EVH requests this Honourable Court to:
- a) Declare that it is a debtor company, as per the definition of Section 2 of the CCAA and that said CCAA applies to it, as per the criteria set forth in Section 3 of the CCAA, and that EVH has fulfilled its burden of proof;
 - b) Maintain the Initial Order staying all of the proceedings;
 - c) Maintain Richter & Associés Inc.'s appointment as monitor and determine the powers and obligations of said Monitor;
 - d) Allow for the filing of a plan of arrangement;
 - e) Allow for the convocation of a creditors' meeting for the purpose of voting on the plan of arrangement;
 - f) Grant various orders allowing EVH to maximize the payments to its creditors under the plan of arrangement to be filed;
 - g) Authorize EVH to borrow from a DIP Lender such monies that EVH may consider necessary or desirable;
 - h) Order that the order to be rendered be executory notwithstanding appeal;
59. The present Petition is well-founded in fact and in law;

THEREFORE, PETITIONERS PRAY THIS HONOURABLE COURT TO:

GRANT the present "Motion for the Extension of time for the filing of the plan of arrangement" (the "**Motion**");

GRANT the remedies and relief sought by Petitioners, Eaux Vives Harricana Inc. ("**EVH INC.**") and EVH U.S.A., Inc. ("**EVH U.S.A.**") (collectively, "**EVH**" which may from time to time refer to EVH INC. or EVH U.S.A.);

EXEMPT EVH from the service of this Motion and of any notice or delay of presentation;

EXTEND the Initial Order rendered on March 19, 2004 by Mr. Justice François Rolland and the stay of proceedings included therein until June 2, 2004;

APPLICATION OF CCAA

DECLARE that EVH INC. and EVH U.S.A. are debtor companies within the meaning of Section 2 of the *Companies Creditors Arrangement Act* ("**CCAA**")

and that said Act applies to them, as affiliated debtor companies in accordance with Section 3 of the CCAA;

DECLARE that EVH INC. and EVH U.S.A. have acted and are acting in good faith and with due diligence and that, as appears from the Motion, the circumstances are such that the Order sought herein should be rendered (the "Order");

GRANT EVH's request to submit a formal plan of arrangement with its creditors, in accordance with the CCAA;

DECLARE that EVH may, if EVH and the Monitor believe it is appropriate, file a joint plan of arrangement;

DECLARE that the allegations of EVH, and the affidavit in support thereof, are sufficient at this stage to grant the reliefs sought by EVH;

MEETING OF CREDITORS

ORDER the convocation of a meeting of all the EVH's creditors concerned with the proposed plan of arrangement at a date to be determined by EVH and the Monitor, with the consent of 2975483 Canada Inc. and at a place that the Monitor will judge appropriate;

ORDER that a meeting of creditors be convened for the purpose of voting on the plan of arrangement to be filed, unless the creditors decide by ordinary resolution (in accordance with the definition of said expression under the Bankruptcy and Insolvency Act) to postpone said meeting;

ORDER that, further to the filing of the plan of arrangement, a notice of convocation of the meeting of creditors be sent, accompanied by a copy of the proposed plan of arrangement and related information, if any, the appropriate proof of claim forms and a voting form, to all of the known creditors of EVH;

DEBTOR IN POSSESSION FINANCING

ALLOW EVH INC. to enter into, at a later date, a DIP financing agreement with any party ready to advance such funds, on such terms and conditions as this Court may later approve;

APPOINTMENT OF MONITOR

CONFIRM the appointment of Richter & Associés Inc., (Mr. Yves Vincent, CA, CIRP, being the officer responsible for the administration) (the "Monitor" or "Richter"), as monitor with, in addition to any power or obligation provided for by the CCAA, the following powers and obligations, namely, to:

1. Prepare a form for the filing of any claim, as defined per Section 12 of the CCAA;
2. Send, by regular mail, to all of the known creditors of EVH, a copy of the plan of arrangement to be submitted to the creditors, together with a notice of convocation, a form of proof of claim, a proxy, a letter of votation for the purpose of the creditors' meeting which will be held with respect to the plan of arrangement to be filed, the whole at least fifteen (15) days prior to said meeting of creditors;
3. Receive any proof of claim to be submitted by any of the creditors of EVH;
4. Administer and adjudicate, in collaboration with EVH, any proof of claim submitted by any of the creditors of EVH or any alleged creditors of EVH;
5. Dismiss, in collaboration with EVH, any proof of claim filed by any creditor or alleged creditor of EVH, under reserve of the right of the creditor to appeal to this Court to determine same in the plan of arrangement within ten (10) days of such notice of disallowance, each creditor having the burden of establishing his claim;
6. File and present to the Court any proceeding, motion or petition, or any other demand, required or appropriate, or that it may feel to be appropriate or required with respect to:
 - i. the affairs of EVH;
 - ii. the plan of arrangement;
 - iii. the determination of any right of EVH or any of its creditors or co-contractants;
 - iv. any advice or instructions it may require or to seek the help of this Court;
 - v. any other matter it feels is required or appropriate;
7. Preside over the first meeting of creditors and decide any question or dispute arising at the meeting, from which such decision any creditor may appeal to the Court, within ten (10) days of the rendering of same;
8. Obtain, at the meeting of creditors, the vote of the creditors and admit or reject a proof of claim for the purpose of voting, subject to the right of said creditor to appeal the Monitor's decision to the Court within ten (10) days of said decision;

9. Send a notice to any creditor, and publish a notice to the said creditors in a Montreal French and English newspapers, seeking the filing of proof of claims before the time limit set forth for the filing of proof of claims (the "**Bar Date**"), failing which any creditor will be barred from doing so and EVH will be discharged of any said claims;
10. Allow the Monitor, in conjunction with EVH, to determine the Bar Date, which shall be at least 30 days after the sending of the notices hereinabove referred to;
11. Proceed to the payment of monies which must be paid to the creditors of EVH in the manner provided for in the plan of arrangement from the amounts which shall be remitted to it by EVH for the purpose of such payments;
12. Provide 2975483 Canada Inc. with any information, report or document it may require;
13. Exercise, with the consent of EVH and 2975483 Canada Inc., such control over the properties and assets of EVH that may be required or necessary for the protection of such properties and assets;
14. Hire and retain, with the consent of EVH and 2975483 Canada Inc., any employees and/or consultants required or desired in order to carry on its duties;
15. Hire and retain, with the consent of EVH and 2975483 Canada Inc., the services of any professional required or desired, including, without limiting the generality of the foregoing, any accountant, lawyer, notary, etc.;
16. Collaborate with Scotia Capital Inc. in the fulfillment of their mandate and duties;
17. Delegate, if required or necessary, to any person duly qualified in the sole opinion of the Monitor, and with the consent of EVH and 2975483 Canada Inc., the powers enumerated herein or any thereof;
18. Obtain from EVH the information which it shall judge useful regarding the evolution of its financial situation and the progress of its restructuring plan;
19. Execute any deed, contract or agreement or do anything necessary or required in order to give full effect to the plan of arrangement;
20. Assist and help EVH in its restructuring and its discussions with any of its creditors, co-contractants or any other party;
21. Assist EVH in negotiating and settling creditors' claims;

22. File or oppose any claim or proceeding filed with respect to any of the assets of EVH, the whole with the consent of EVH and 2975483 Canada Inc.;
23. Certify as a true copy, any copy of this Order;
24. Send notices of stay of proceedings, as if it were a trustee in bankruptcy, with respect to any proceedings or claim whether judicial, administrative or otherwise;
25. With the authorization of the Court, do anything or enter into any agreement whatsoever with a view to protecting EVH, its assets, its creditors, or for the best interests of EVH or the plan of arrangement;
26. With the authorization of the Court, and with the consent of EVH and 2975483 Canada Inc., enter into any agreement whatsoever in order to sell all or parts of the assets of EVH;
27. Exercise any and all powers of a trustee acting pursuant to a Notice of Intention or a Proposal under the *Bankruptcy and Insolvency Act* with a view to helping and assisting EVH in the filing of a plan of arrangement;

ALLOW EVH and/or the Monitor and/or 2975483 Canada Inc. to file any motion or petition to this Court, in order to expand, modify or clarify the powers and obligations of the Monitor;

ALLOW EVH to file any petition or motion which may be required or useful for the pursuit of the process;

STAY OF PROCEEDINGS

ORDER a stay of any and all proceedings, including without limitation, suits, actions, application, motion, petition, judgments, orders, injunctions, extra-judicial proceedings, notice, prior notice or other remedies until June 2, 2004, which will have the effect of:

- a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of EVH or its assets;
- b) restraining, until otherwise ordered by the court, further proceedings in any action, application, motion, petition, suit, judgment, order, instruction, extra-judicial proceeding against EVH;
- c) prohibiting, until otherwise ordered by the court, the commencement or continuation of any other action, application, motion, petition, suit or any other proceeding against EVH or the sending of any notice or prior notice of any nature;

d) prohibiting the parties with which EVH would have entered into any agreement to cancel any contract or agreement of any nature whatsoever, including, without limiting the generality of the foregoing, any contract entered into by EVH and any of its supplier or co-contractants or other, providing the services rendered or the goods supplied after the rendering of the order are paid for under normal terms and except for eligible financial contracts as defined under Section 11.1 CCAA;

ORDER, for the same period, that, in accordance with section 11.4 CCAA, the right of Her Majesty in right of Canada may not be exercised under subsection 224(1.2) of the Income Tax Act in respect of EVH nor by Her Majesty in right of a Province under provincial legislation substantially similar to that subsection in respect of EVH, but as per the terms of said section 11.4;

ORDER, for the same period, a stay of all proceedings taken or that might be taken against the EVH in accordance with the Bankruptcy and Insolvency Act and/or the Winding-Up Act;

ORDER, for the same period, a stay of proceedings of all suits, actions, applications, motions, petitions, judgments, orders, injunctions, extra-judicial proceedings or other remedies instituted against EVH or its assets, for any reason whatsoever, or the sending of any notice or prior notice save with the permission of this Court upon application served upon EVH, EVH's undersigned attorneys, the Monitor and 2975483 Canada Inc. of four (4) clear days and according to the conditions that this Honourable Court may impose, the whole until a new ruling is made by this Honourable Court;

ORDER, for the same period, that no proceeding, including without limitation, suits, actions, application, judgments, orders, injunctions, extra-judicial proceedings or other remedies instituted against EVH or its assets for any reason whatsoever, or the sending of any notice or prior notice shall be continued or commenced against EVH or its assets, save with the permission of this Court upon application served upon EVH and EVH's undersigned attorneys, the Monitor and 2975483 Canada Inc. four (4) clear days in advance and according to the conditions that this Honourable Court may impose, until a new ruling of this Court is made in this matter;

ORDER, for the same period, that no persons, firms or corporations shall exercise any lien, privilege, legal hypothec, seizure or right of retention on assets, property or goods belonging to EVH or realize on or otherwise deal with any right or property of EVH or any security, charge, lien, right or power of sale, seizure or attachment held by that person, including any right of revendication or repossession of any goods supplied to EVH or any right to take possession of its

property or goods placed on consignment or pursuant to concession arrangements with EVH;

LIMITATION OF CERTAIN RIGHTS

DECLARE that until the meeting of creditors is held, no persons, firms or corporations having done business with EVH shall exercise any right of compensation or set off or application of inventory in reduction of accounts with respect to any amounts which may be owing and due by EVH;

ORDER that all persons, firms or corporations, including all utilities, having supplied goods or services to EVH in the normal course of business by virtue of written or oral agreements, distributorship or agency agreements or otherwise, are prohibited from terminating same without the written consent of EVH or an order from this Honourable Court;

ORDER all persons, firms or corporations having supplied goods or services to EVH in the normal course of business to continue such delivery and supply in the normal course of business provided satisfactory arrangements are made to secure payment of the normal prices or charges of such goods and services incurred from the date of filing of this Motion;

ORDER that any person, firms or corporations, who provided letters of credit, standby letters of credit, performance bonds, payment bonds or guarantees (the "Issuing Party") at the request of EVH shall be required to continue honouring any and all such letters of credit, standby letters of credit, performance bonds, payment bonds and/or guarantees, issued on or before the date of the Order subject to the Issuing Party being entitled to retain the bills of lading and/or shipping documents relating thereto until paid therefore. For greater certainty, the Issuing Party shall be prohibited from terminating, suspending, modifying, determining, refusing to honour or canceling any such letters of credit, standby letters of credit, performance bonds, payment bonds or guarantees, and the beneficiaries of such letters of credit, standby letters of credit, performance bonds, payment bonds or guarantees for the supply and delivery of goods shall be entitled to draw on such letters of credit, standby letters of credit, performance bonds, payment bonds, guarantees or shipping guarantees, as the case may be, in accordance with their respective terms and conditions, without the prior written consent of EVH or without the leave of this Court;

ORDER that all persons, corporations or firms are restrained until further order from this Honourable Court or the written consent of EVH from terminating, canceling or otherwise withdrawing any licenses, franchises, dealerships, permits, contracts, leases, approvals or consents or otherwise interfering in any way with the present or future business of EVH;

ORDER, for the same period, that the right of any persons, corporations or firms (Including, without limitation, any authority with jurisdiction to levy realty taxes) to commence or continue enforcement, realization or collection proceedings in respect of any encumbrance, tax, lien, security interest, charge, hypothec, legal hypothec, mortgage, guarantee, attornment of rents, hypothecation, pledge or other security held in relation to, or any trust attaching to or deemed to attach to or comprise any of, the property of EVH, including, without limitation, the right of any creditor to take any step in asserting, perfection or registering any right or interest (including, without limitation, any legal hypothec, any right to revendication, rescission, resiliation or any right to repossession or stoppage in transit of any goods supplied or shipped to EVH, whether taken in the Province of Québec or elsewhere, and whether pursuant to the *Bankruptcy and Insolvency Act* or otherwise), is hereby stayed, restrained and suspended;

ORDER, for the same period, that the right of any persons, corporations or firms, to assert, enforce or exercise any right, option or remedy available to it, including without limitation, any right of dilution, buy-out, divestiture, pre-emptive right of purchase, option to purchase on default, forced sale, acceleration, termination, suspension, modification, cancellation or right to revoke or terminate any agreement, including, subject to Sections 11.1 and 11.3(b) CCAA, lending arrangements (collectively, "Rights"), where such Rights arise out of, relate to or are triggered by the occurrence of any default or non-performing by EVH thereunder, the making of the Order or the Initial Order or filing of these proceedings, or any allegation contained in these proceedings, including, without limitation, the right to make any demand, to sent any notice, to crystallize any security interest, to exercise any pre-emptive first right, to accelerate any obligation is hereby stayed, restrained and suspended;

ORDER that all persons, corporations or firms are restrained from exercising any extra-judicial remedy against EVH or its assets, including, without limitation, any right of distress, revendication or repossession, set-off or consolidation of accounts in relation to any amount due or accruing due in respect of or arising from any indebtedness or obligation of EVH, or from retaining any check and/or money owing to EVH or to which EVH are otherwise entitled, or from retaining any goods, in relation to or by reason of amounts past due to any such person, or customs duties and charges, taxes, freight, insurance, storage or other charges paid on behalf of or owed by EVH prior to the date hereof for which EVH have not reimbursed or paid such person;

RESTRUCTURING

DECLARE that EVH may terminate, repudiate, resiliate, cancel, amend or withdraw any agreement and contract of any nature whatsoever, whether verbal

or written, upon the sending of a written notice to that effect, subject to the right of said co-contractant to file a proof of claim for damages (should it be entitled to any) under the plan of arrangement to be filed;

DECLARE that, subject to the next paragraph and to obtaining 2975483 Canada Inc.'s approval, EVH may sell any and all of its assets;

DECLARE that any such sale of assets exceeding \$100,000 shall be conditional upon this Court approval;

DECLARE that, with respect to those secured creditors holding conventional hypothecs or security, EVH shall be at liberty, but not obliged, to make the interests payment which, in the sole opinion of EVH, it could afford;

DECLARE that, with respect to those secured creditors holding conventional hypothecs or security, EVH shall be at liberty, but not obliged, to remit part of the proceeds which will come from the sale of the assets charged in favor of said secured creditors, which, in the sole opinion of EVH, it could afford;

ALLOW for the paying of the salaries accrued and accruing as of the date of the Order, to the employees of EVH in the normal course of business, together with any amount owing in relation to said salary earned, the whole notwithstanding the order to be rendered. This may also include, at the entire discretion of EVH, any payment in lieu of salary or any other like payment;

DECLARE that EVH INC. and/or EVH USA may start again, cease, downsize or shut down any of its operations;

DIRECTORS' CHARGE

ORDER that any amount that EVH should pay, as a consequence of a directors' liability, constitute a charge ranking immediately after the Administration Charge (as hereinafter defined) over any and all assets of EVH INC. (the "Directors' Charge") and that neither EVH nor the directors of EVH INC. or EVH U.S.A. shall be required to file, register, record or perfect the Directors' Charge. Such Directors' Charge shall be limited to an aggregate amount of \$1,000,000;

ADMINISTRATION CHARGE

ORDER that the fees and expenses of the Monitor and of any of the professionals or advisors hired or retained by the Monitor or by EVH be paid in priority to any debt and be paid immediately upon presentation of the relevant invoice and documents;

ORDER that the fees and expenses of the Monitor and of any of the professional or advisors hired or retained by the Monitor or by EVH constitute a charge

ranking ahead of any of all secured creditors over any or all of the assets of EVH (the "Administration Charge"), and that neither EVH nor the Monitor shall be required to file, register, record or perfect the Administration Charge. Said Administration Charge shall be limited to an aggregate amount of \$1,000,000;

MISCELLANEOUS

DECLARE that the Monitor will not be considered or deemed to be an employer for any purpose whatsoever nor will it have any liability whatsoever in respect to any environmental condition or that arose of environmental damage;

DECLARE that the Monitor will not be deemed nor will be considered as being in a position of constructive control, or in actual control, of any of the assets of EVH;

DECLARE that the Monitor will have no liability whatsoever towards any third party with respect to any of its powers and obligations as Monitor under the Order;

ORDER that either EVH, the Monitor or 2975483 Canada Inc., may, from time to time, apply to this Court for advice or instructions, seek the help of this Court or present any motion or petition which is required or appropriate with respect to the present proceedings, the plan of arrangement, the powers of the company, the dispositions of the CCAA or the rendering of any order that would be useful or appropriate in the circumstances;

DECLARE that the fees and expenses owed to Scotia Capital Inc. for the fulfillment of their mandate and duties pursuant to the Agreement (as defined in the Initial Motion), shall be paid to it in the normal course of business, whether any amount may be accruing or owing prior to or after the Order;

ORDER that EVH be permitted to indemnify each of its directors and officers with respect to any personal liability they might incur as directors or officers of EVH under all applicable provincial and federal legislation, including taxing statutes and employee legislation and for employee salaries, benefits, vacation pay, etc.;

ORDER that, as per section 11.5(1) CCAA, and until June 2, 2004, no person may commence or continue any action against a director of EVH or any claim against directors that arose prior to the rendering of the order and that relates to obligations of EVH where said directors could be liable in their capacity as director for the payment of said obligation, until a plan of arrangement is filed, sanctioned by the Court or refused by the creditors or the Court, subject to the exception provided for in section 11.5(2) CCAA;

CONFIRM that any document or information in any form whatsoever communicated by EVH to the Monitor, in its capacity as financial advisor to EVH, is confidential and shall not be disclosed or communicated;

ORDER that any interested party who wishes to apply to this Court shall give four (4) clear days notice thereof to EVH, EVH's undersigned attorneys, 2975483 Canada Inc., the Monitor and to this Court;

RECONVENE, under reserve of the rights of EVH and any other interested party as set forth in the order to be rendered, EVH in front of this Court on May 28, 2004, at 9:15 a.m., in room 16.12, to assess the situation and determine if the Initial Order is to be renewed or extended. Any other demand of any other interested party could be presented at the same time.

ORDER that EVH or the Monitor, as the case may be, except as otherwise prescribed by the Order, may serve the Order, the Motion, the notice of the hearing of motion or petition, the plan of arrangement, any notice of meetings of creditors and any other proceeding or document whatsoever, of any nature, on any creditor of EVH or any other interested party, by transmitting a photocopy of the document in question by prepaid mail addressed to the last known address communicated by such creditors or party to EVH, and that such service shall be deemed to be effective on the fourth business day following such mailing;

ORDER that these proceedings shall have full force and effect in all of the provinces and territories in Canada;

DECLARE that this Court seeks and requests the aid and recognition of any Court or administrative body in any province of Canada, and any Canadian Federal Court or administrative body as well as any Court or administrative body in any of the States of the United States of America and any Federal Court or administrative body of the United States of America, to assist EVH and the Monitor to carry out the terms of the Order;

ORDER provisional execution of the Order, notwithstanding any appeal and without the necessity of furnishing any security;

THE WHOLE, without costs.

Montreal, April 14, 2004

COPIE CONFORME/TRUE COPY

Daniel Ward

Phillips & Vineberg

DAVIES WARD PHILLIPS & VINEBERG

(S) Davies Ward Phillips & Vineberg L L P

DAVIES WARD PHILLIPS & VINEBERG LLP
Attorneys for Petitioners

CANADA

PROVINCE DE QUÉBEC
DISTRICT DE MONTREAL

No: 500-11-022700-047

COUR SUPÉRIEURE

DANS L'AFFAIRE DE
L'ARRANGEMENT DE:

EAUX VIVES HARRICANA INC.

-et-

EVH U.S.A. INC.

Requérantes

-et-

RICHTER & ASSOCIÉS INC.

Contrôleur

CERTIFICAT D'AUTHENTICITÉ

Je, soussigné, DENIS FERLAND, avocat, pratiquant ma profession au cabinet de Davies Ward Phillips & Vineberg, ayant sa place d'affaires au 1501 avenue McGill College, 26e étage, en la ville de Montréal, province de Québec, déclare solennellement ce qui suit :

1. Le 14 avril 2004 à 10:43 heures, Davies Ward Phillips & Vineberg a reçu un affidavit daté du 14 avril 2004 et signé par monsieur Mark Mangelsdorf;
2. La copie de l'affidavit jointe à la présente est une copie conforme de l'affidavit reçu de Mark Mangelsdorf, résidant et domicilié au 304 Loring Avenue, Pelham, State of New-York, 10803. Le numéro de télécopieur est le (973) 249-3828.
3. Tous les faits allégués aux présentes sont vrais.

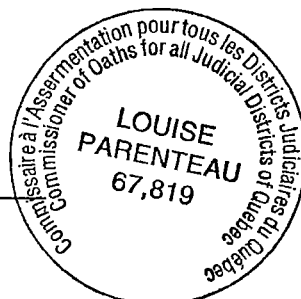
ET J'AI SIGNÉ :


DENIS FERLAND

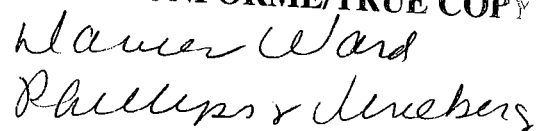
DÉCLARÉ SOLENNELLEMENT devant moi
à Montréal, le 14 avril 2004



COMMISSAIRE A L'ASSERMENTATION



COPIE CONFORME/TRUE COPY



DAVIES WARD PHILLIPS & VINEBERG

AFFIDAVIT

I, the undersigned, Mark Mangelsdorf, domiciled and residing at 304 Loring Avenue, Pelham, State of New-York, 10803 solemnly declare the following:

1. I am the Vice-President and General Manager of Eaux Vives Harricana Inc. and EVH U.S.A. Inc.;
2. I have taken cognizance of the present Motion for the extension of time for the filing of the plan of arrangement;
3. All the facts alleged in the present Motion are true.

AND I HAVE SIGNED


 Mark Mangelsdorf

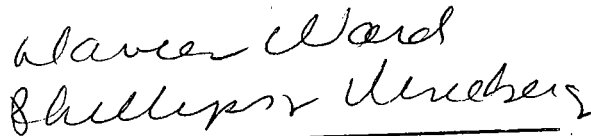
SWORN TO BEFORE ME AT Wallington, New-Jersey, U.S.A.
the 14th DAY OF APRIL 2004


 Notary Public

STATE OF NEW JERSEY
COUNTY OF BERGEN

**ANNA MARIE VAZQUEZ
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES AUG. 1, 2006**

COPIE CONFORME/TRUE COPY


 DAVIES WARD PHILLIPS & VINEBERG

NOTICE OF PRESENTATION

Richter & Associés Inc.
2 Place Alexis-Nihon
3500, de Maisonneuve Blvd. West
22nd Floor
Montréal, Québec
H3Z 3C2

Robbie Manufacturing Inc.
c/o Cassels Brock
Mr. Christopher Besant
2100 Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3C2

TAKE NOTICE that the present Motion for the extension of time for the filing of the plan of arrangement will be presented on Thursday, April 15, 2004 9:30 a.m. or so soon thereafter as Counsel may be heard, at Montréal Courthouse located at 1 Notre-Dame Street East in Montréal, Room 16.06.

MONTREAL, April 14, 2004

(S) Davies Ward Phillips & Vineberg LLP

DAVIES WARD PHILLIPS & VINEBERG
Attorneys for Petitioners

COPIE CONFORME/TRUE COPY
Haven Ward
Phillips & Vineberg

DAVIES WARD PHILLIPS & VINEBERG



Eaux Vives Harricana Consolidated Cash Flow Forecast *

45 days
From April 18th
to June 2nd

OPENING BALANCE	287,157
INFLOWS	
From regular receivables USA	80,032
From fire sales USA	86,951
From regular receivables CND	75,000
From fire sales CND	-
From government	89,000
TOTAL INFLOWS	330,983
Cash outflows (including crucial suppliers)	
Agence Personnel Abitibi (account receivable agent)	1,855
Bell Canada	1,000
Béton Fortin	3,500
CIA	1,000
Dicom	200
EVH pick up maintenance and Gas	480
EVH Pick up rental	670
Canadian Employee Expense report	6,000
Fedex	500
Gaz métropolitain	2,000
House keeping (St-Mathieu)	540
Hydro-Québec (electricity)	71,340
Informatika	300
Livingston (broker)	300
London Life retirement plan	4,000
Maheu & Maheu extermination	185
Mirado (security agency)	19,368
Modulabec (security office)	414
Multilab	700
Office supplies	300
Parmalat Canada	16,000
Canada Employee Payroll	66,936
Canada Payroll Tax (social benefit)	46,856
Permits	1,000
Sun Life (group insurance)	6,000
Techni-lab	750
Télébec (telephone)	4,800
USA Employee Payroll & Taxes	96,500
USA Blue cross	1,539
USA Boothcrafter	352
Remittances to Gvt Authorities	TBD
USA CPA Bob berleson and Ass.	2,620
Case stack (Logistics and Warehouse)	77,028
USA Expense report	5,000
Farmland (GM salary, taxes, benefits, office rent & office expenses)	68,775
USA Fedex	650
USA Life insurance	170
USA National Testing Laboratory	1,100
USA office lease	2,499
USA storage unit	284
USA Phone	525
Professional Fees (Legal, Investment bank, monitor, etc...)	TBD
Miscellaneous	7,000
TOTAL OUTFLOWS	521,035
CLOSING BALANCE	97,105

* Please note an important caveat -- this information is the best estimate of EVH management, given current knowledge of the situation and circumstances. We believe that the information is reasonably accurate and directionally correct; however, we have not employed the services of an independent audit firm to validate the assumptions.

No. 500-11-022700-047

S U P E R I O R C O U R T
District of Montreal

IN THE MATTER OF THE ARRANGEMENT
OF:

EAUX VIVES HARRICANA INC.

-and-

EVH U.S.A. INC.

Petitioners

-and-

RICHTER & ASSOCIÉS INC.

Monitor

EXHIBIT R-1

(MOTION FOR THE EXTENSION OF TIME FOR THE FILING
OF THE PLAN OF ARRANGEMENT)

Me Denis Ferland
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Montréal, Québec H3A 3N9
Tel. 514.841.6400 Fax 514.841.6499

BP-0181

O/F 88345-107428

No. 500-11-022700-047

S U P E R I O R C O U R T
District of Montreal

IN THE MATTER OF THE ARRANGEMENT
OF:

EAUX VIVES HARRICANA INC.

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MOTION FOR THE EXTENSION OF TIME
FOR THE FILING OF THE PLAN OF
ARRANGEMENT

copy for Richter & Associés Inc.

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