

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF BEDFORD

(Commercial Division)  
SUPERIOR COURT  
In Bankruptcy and Insolvency

NO. : 460-11-000938-046  
Estate No.: 42-043090

IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF:

*Commissaire le 30/04*

J.L. DE BALL CANADA INC., a body politic and corporate, duly incorporated according to law, and having its principal place of business at 835 Industriel Blvd., in the city of Granby, district of Bedford, Province of Quebec, J2J 1A5

*Requête accordée  
suivant les conclusions*

Debtor/Petitioner

*[Signature]*  
*Requête*

-and-

RSM RICHTER INC., in its capacity as Trustee under the Notice of Intention to Make a Proposal, a body politic and corporate, duly incorporated according to law, having a place of business at 2 Place Alexis Nihon, 22nd Floor, in the city and district of Montreal, Province of Quebec, H3Z 3C2

Trustee/Mis-en-cause

**MOTION TO EXTEND THE DELAY FOR FILING A PROPOSAL  
(SECTION 50.4(9) OF THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C., 1985, c. B-3 (the "Act"))**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN BANKRUPTCY AND INSOLVENCY MATTERS, IN AND FOR THE JUDICIAL DISTRICT OF BEDFORD, OR TO THE REGISTRAR THEREOF, THE DEBTOR/PETITIONER RESPECTFULLY STATES:

1. On February 4, 2004, the Debtor/Petitioner ("De Ball") filed a Notice of Intention to Make a Proposal ("Notice") pursuant to Section 50.4(1) of the Act, the whole as appears from the Court record;
2. The Trustee/Mis-en-cause, RSM Richter Inc. ("Trustee") agreed to act as trustee under the proposal, the whole as appears from the Court record;
3. De Ball is a manufacturer of high quality, piece-dyed velvet and corduroy fabrics for the North American apparel and home furnishings sector;
4. De Ball employs approximately 120 employees at its plant located at Granby, Quebec;
5. In an effort to avoid bankruptcy, De Ball intends to file a proposal with its creditors according to the Act;
6. On February 12, 2004, De Ball filed a cash flow statement, the Trustee's report on the reasonableness of the cash flow statement and the De Ball's report relating to the preparation of the cash flow statement, the whole as

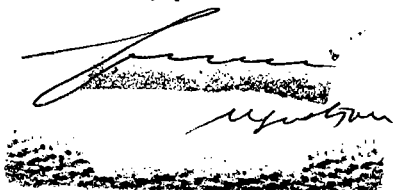
**CERTIFIÉ(E) CONFORMÉ**

*[Signature]*

provided for in Section 50.4(2) of the Act, the whole as appears from the Court record;

7. On March 2nd, 2004, this Court granted a first extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until April 15, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
8. On April 14, 2004, this Court granted a second extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until May 7, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
9. On May 7, 2004, this Court granted a third extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until June 11, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
10. On June 11, 2004, this Court granted a fourth extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until July 5, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
11. As of the present date, De Ball has not filed its proposal and the delay to file expires on July 5, 2004;
12. De Ball, notwithstanding that it is acting in good faith and with due diligence, has been unable, to the present date, to file a proposal for the following reason:
  - A key component of De Ball/shareholder's plan is to pursue a purchaser/investor for De Ball;
  - On April 29, 2004, De Ball has mandated the Trustee to act as its consultant and advisor in the sale of a part of or all of its assets;
  - Accordingly, the Trustee has prepared an information circular for distribution to potentially interested purchasers;
  - Such information circular was sent to more than fifty (50) potentially interested parties in Canada and in the United States;
  - Several of these have already expressed interest, signed confidentiality agreements, begun the due diligence process as well as discussions with De Ball;
  - A "data room" has also been activated on the Internet where interested parties can gain access to confidential information about De Ball;
  - Visits of the De Ball's plant located in Granby have begun;
  - De Ball has received two (2) offers to purchase;
  - However, De Ball requires additional time to evaluate such offers and complete negotiations with the assistance of the Trustee;
13. Since having filed its Notice, De Ball has continued its operations.;

CERTIFIÉ (E) CONFORMÉ

A handwritten signature in black ink is written over a rectangular official stamp. The stamp contains some illegible text and a circular emblem. Below the signature, there is a dark, irregular smudge or ink blot.

14. Throughout this period, De Ball has been paying its suppliers and employees, on a timely basis, for goods and services provided subsequent to the date of the filing of the Notice;
15. However, De Ball requires additional time to complete a transaction that will allow it to file a proposal to its creditors;
16. If this Honourable Court extends the time for filing a proposal for an additional period of 30 days, De Ball is confident that upon identifying a purchaser and/or investor, it will be able to formulate the terms of a viable proposal to its creditors within the said 30-day delay being requested herein;
17. De Ball does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted;
18. The Bank of Montreal (the "**Bank**"), principal secured creditor funding operating advances, does not object to the contemplated extension, provided De Ball operates within its funding arrangements with the Bank;
19. The Trustee supports the present request for an extension of the delay to file a proposal, as appears from the Trustee's report to the Court, prepared in accordance with Section 50.4(7) of the Act, attached hereto as Exhibit R-1;
20. In light of the foregoing, De Ball submits that a 30-day extension period that is until August 4, 2004 be granted to file a proposal to its creditors since:
  - (a) De Ball is acting in good faith and with due diligence;
  - (b) De Ball is likely to be able to make a viable proposal;
  - (c) No creditors will be materially prejudiced.

**WHEREFORE, DEBTOR/PETITIONER PRAYS THAT, BY JUDGMENT TO BE RENDERED HEREIN, THIS HONOURABLE COURT:**

**GRANT** the present Motion;

**DECLARE** that sufficient notice was given for the presentation of the present Motion;

**SHORTEN** the delays for service and presentation of the present Motion;

**GRANT** the Debtor/Petitioner a 30-day extension period up to and including August 4, 2004 to file a proposal to its creditors;

**THE WHOLE** without costs, save in case of contestation.

MONTREAL, June 30, 2004

*Stikeman Elliott LLP.*

**STIKEMAN ELLIOTT LLP**  
Attorneys for the Debtor/Petitioner

CERTIFIÉ(E) CONFORMÉ

