



Court File No. CV-22-00678884-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM ) FRIDAY, THE 26<sup>th</sup>  
 )  
JUSTICE CONWAY ) DAY OF AUGUST, 2022  
 )

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 EVE  
& CO INCORPORATED, NATURAL MEDCO LTD., and EVE & CO INTERNATIONAL  
HOLDINGS LTD. (collectively, the "Applicants")

**ORDER**

**(Stay Extension, DIP Financing, Administration Charge)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order amending and restating the amended and restated initial order of Justice Conway dated April 1, 2022 (the "**Initial Order**"), was heard this day by videoconference.

**ON READING** the affidavit of Melinda Rombouts sworn August 25, 2022, and the Exhibits thereto, the second report of BDO Canada Limited, in its capacity as monitor of the Applicants ("**Monitor**"), dated August 25, 2022, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for Applicants and counsel for the Monitor, no one appearing for any other party although duly served as appears from the affidavit of service, filed,

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

## AMENDMENTS TO THE AMENDED AND RESTATED INITIAL ORDER

2. **THIS COURT ORDERS** that paragraphs 14, 31-35, and 39 of the Amended and Restated Initial Order are hereby further amended and restated as follows:

### NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including September 30, 2022, or such later date as this Court may order (“**Stay Period**”), no proceeding or enforcement process in or out of any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, Royal Bank of Canada (“**Secured Lender**”) shall be unaffected by the stay of proceedings and shall be entitled to enforce its rights and remedies in accordance with the terms agreed to in the Forbearance Agreement, and subject to the jurisdiction of this Court.

[...]

### ADMINISTRATION CHARGE

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants’ counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$700,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and

such counsel, both before and after the making of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in herein.

## **DIP FINANCING**

**32. THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (“**DIP Loan**”) from Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership (collectively, the “**DIP Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2,800,000 unless permitted by further Order of this Court.

**33. THIS COURT ORDERS** that such DIP Loan shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of August 25, 2022 (“**DIP Term Sheet**”), filed.

**34. THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

**35. THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (“**DIP Lender’s Charge**”) on the Property, which

DIP Lender's Charge shall not secure an obligation that exists before the Initial Order is made. The DIP Lender's Charge shall have the priority set out herein.

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

**39. THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge, the DIP Lender's Charge, and any and all charges, liens, encumbrances and other security held by the Secured Lender ("**RBC Security**"), and security held by the Van Engelen's ("**Van Engelen Security**") as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$700,000);

Second – DIP Lender's Charge (to the maximum amount of \$2,800,000);

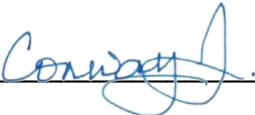
Third – the RBC Security;

Fourth – the Van Engelen Security; and,

Fifth – Directors' Charge (to the maximum amount of \$150,000).

### **GENERAL**

3. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

  
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**Applicants**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
Proceeding commenced at TORONTO

**ORDER  
(STAY EXTENSION, DIP FINANCING  
ADMINISTRATION CHARGE)**

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