

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of
the document digitally filed on Aug 1,
2025

COURT FILE NUMBER

2503-13640

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

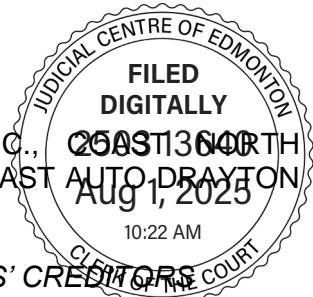
EDMONTON

APPLICANT

BANK OF MONTREAL

RESPONDENTS

COAST AUTOMOTIVE GROUP INC., COAST NORTH VANCOUVER AUTO SALES INC., COAST AUTO DRAYTON INC., and 2461765 ALBERTA LTD.



IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF COAST AUTOMOTIVE GROUP INC.,
COAST NORTH VANCOUVER AUTO SALES INC., COAST
AUTO DRAYTON INC. and 2461765 ALBERTA LTD.

DOCUMENT

AMENDED AND RESTATED INITIAL ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

MILLER THOMSON LLP
Eighth Avenue Place East
43rd Floor, 525 8th Avenue S.W.
Calgary, AB, Canada T2P 1G1

Attention: James W. Reid / Monica Faheim / Kira Lagadin
Telephone: 403.298.2418 / 416.597.6087 / 403.206.6355
E-mail: jwreid@millerthomson.com
mfaheim@millerthomson.com
klagadin@millerthomson.com
File No.: 0148746.0131

DATE ON WHICH ORDER WAS PRONOUNCED:

July 25, 2025

NAME OF JUSTICE WHO MADE THIS ORDER:

The Honourable Justice M.H. Bourque

LOCATION OF HEARING:

Calgary Courts Centre

UPON the application of the Bank of Montreal (“**BMO**” or the “**Applicant**”);

AND UPON having read the Application, the Affidavit No.1 of Shehryar Syed sworn July 9, 2025 (“**Syed Affidavit No. 1**”), the consent of BDO Canada Limited (“**BDO**”) to act as Monitor (in such capacity, the “**Monitor**”) of Coast Automotive Group Inc., Coast North Vancouver Auto Sales Inc., Coast Auto Drayton Inc., and 2461765 Alberta Ltd. (collectively, the “**Respondents**”), the pre-filing report of BDO dated July 10, 2025, in its capacity as proposed Monitor and the first report of the Monitor dated July 21, 2025 (the “**First Report**”);

AND UPON reviewing the CCAA Initial Order granted by the Honourable M. E. Burns, in these proceedings on July 16, 2025 (the “**Initial Order**”);

AND UPON being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose or alternatively consent to the within Order;

AND UPON hearing counsel for BMO, counsel for the Respondents, and counsel for the Monitor;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient, if applicable, and this application is properly returnable today.

APPLICATION

2. The Respondents are companies to which the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) applies.

PLAN OF ARRANGEMENT

3. The Monitor, for and on behalf of the Respondents and Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to the rights and powers granted in favour of the Monitor under this Order, the Respondents shall:
- (a) remain in possession and control of their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property;
 - (c) be authorized and empowered, subject to the consent of the Monitor, to continue to retain and employ the employees, independent contractors, advisors, consultants, agents, experts, accountants, counsel, and such other persons (collectively, the “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and
 - (d) be entitled to continue to utilize the central cash management system currently in place or replace it with another substantially similar central cash management system with the consent of the Monitor (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Respondents of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Respondents, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in their capacity as provider of the Cash Management System, unaffected creditors under any plan of arrangement or compromise with regard to any claims or expenses they may suffer or incur in connection with the provision of the Cash Management System.

5. To the extent permitted by law and subject to the terms of the Interim Financing Term Sheet (defined below), the Respondents shall, with the consent of the Monitor, be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Respondents in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order; and
 - (c) amounts owing for goods and services supplied to the Respondents prior to the date of the Initial Order, provided that (i) the Interim Lender has consented to such payment(s), (ii) such supplier or service provider is, in the view of the Monitor, critical to the Business, and (iii) such payments do not exceed \$50,000 in the aggregate.
6. Except as otherwise provided to the contrary herein and subject to the terms of the Interim Financing Term Sheet, the Respondents shall, with the consent of the Monitor, be entitled but not required to pay all reasonable expenses incurred by the Respondents in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance, and security services; and
 - (b) payment for goods or services actually supplied to the Respondents following the date of this Order.

7. The Respondents shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance,
 - (ii) Canada Pension Plan, and
 - (iii) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Respondents in connection with the sale of goods and services by the Respondents, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Respondents.
8. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Respondents may, with the consent of the Monitor, pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Respondents

or the making of this Order, based on the terms of existing lease arrangements or as otherwise may be negotiated by the Respondents from time to time for the period commencing from and including the date of this Order (“**Rent**”), but shall not pay any rent in arrears.

9. Except as specifically permitted in this Order, the Respondents are hereby directed, until further order of this Court:
 - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Respondents to any of their creditors (including pursuant to guarantee or other contingent arrangements) as of the date of this Order, other than payments of principal, interest or amounts otherwise owing by the Respondents pursuant to the Interim Financing Term Sheet or as set out in and in accordance with the Cash Flow Forecast;
 - (b) to grant no security interests, trust, liens, charges, or encumbrances upon or in respect of any of their Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. The Respondents shall, in each case with the consent of the Monitor, subject to such requirements as are imposed by the CCAA, and such covenants as may be contained in the Interim Financing Term Sheet (as hereinafter defined), have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any portion of their business or operations and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Respondents (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
 - (b) sell inventory in the ordinary course of business consistent with past practice;

- (c) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Respondents and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (d) disclaim or resiliate, in whole or in part, the Respondents' arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Respondents deem appropriate, in accordance with section 32 of the CCAA; and
- (e) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Respondents to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

11. The Respondents shall provide each of the relevant landlords with notice of the Respondents' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Respondents' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Respondents, or by further order of this Court upon application by the Respondents on at least two (2) days' notice to such landlord and any such secured creditors. If the Respondents disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Respondents' claim to the fixtures in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during

normal business hours, on giving the Respondents and the Monitor 24 hours' prior written notice; and

- (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Respondents in respect of such lease or leased premises and such landlord shall be entitled to notify the Respondents of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

- 13. Until and including October 19, 2025, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Respondents or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Respondents or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

- 14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Respondents or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Respondents from compliance with statutory or regulatory provisions relating to health, safety, or the environment.
15. Nothing in this Order shall prevent any party from taking an action against the Respondents where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, insurance policy, sublease, licence or permit in favour of or held by the Respondents, except with the prior written consent of the Respondents and the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy and/or exemption in favour of the Respondents shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of the insolvency of the Respondents, the commencement of the within proceedings or the granting of this Order.
17. During the Stay Period, no Person shall be entitled to set off any amounts that: (i) are or may become due to the Respondents in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Respondents in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the Respondents in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Respondents in respect of obligations arising on or after the date of this Order, in each case without the consent of the Monitor, or leave of

this Court, provided that nothing in this Order shall prejudice any arguments any Person may make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

18. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Respondents, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, supply of inventory, or other services to the Business or the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Respondents or exercising any other remedy provided under such agreements or arrangements. The Respondents shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Respondents in accordance with the payment practices of the Respondents, or such other practices as may be agreed upon by the supplier or service provider and each of the Respondents and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Respondents.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any

of the former, current or future directors or officers of the Respondents with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Respondents whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Respondents, if one is filed, is sanctioned by this Court or is refused by the creditors of the Respondents or this Court.

APPOINTMENT OF THE MONITOR

21. BDO is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to Monitor the Property, Business, and financial affairs of the Respondents with the powers and obligations set out in the CCAA or set forth herein and that the Respondents and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Respondents pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
22. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Respondents' receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Respondents or any of them;
 - (c) assist the Respondents, to the extent required by the Respondents, in their dissemination to the Interim Lender (defined below) and its counsel of financial and other information as agreed to between the Respondents and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;

- (d) assist the Respondents, to the extent required by the Respondents, in their dissemination to the Applicant and its counsel on a weekly basis of financial and other information as agreed to between the Applicant, the Monitor and the Respondents which may be used in these proceedings, including reporting on a basis as reasonably required by the Applicant;
- (e) advise the Respondents in their preparation of the Respondents' cash flow statements and reporting required by the Applicant, which information shall be reviewed with the Monitor and delivered to the Applicant and its counsel, or as otherwise agreed to by the Applicant;
- (f) advise the Respondents in their development of the Plan and any amendments to the Plan;
- (g) assist the Respondents, to the extent required by the Respondents, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents and management, employees and advisors of the Respondents and to the extent necessary to adequately assess the Property, Business and financial affairs of the Respondents or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel, advisors or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Respondents and any other Person;
- (k) execute the Interim Financing Term Sheet and any document or agreement related thereto for and on behalf of the Respondents and take such steps and actions as the Monitor deems reasonably necessary or advisable in connection with the interim financing facility;

- (l) request proposals from sales advisors or agents and engage for and on behalf of the Respondents a sales advisor or agent for the marketing and sale of the Respondents' business and/or Property, and to manage the Sales Agent (as defined in the First Report) and any subsequent sale and investment solicitation process;
 - (m) disclaim property, leases or agreements on behalf of the Respondents; and
 - (n) perform such other duties as are required by this Order or by this Court from time to time.
23. In addition to the foregoing powers and subject to further orders of the Court and without in any way limiting the powers and duties of the Monitor otherwise set out herein, the Monitor is hereby authorized and empowered, but not required, for and on behalf of and in the name of the Respondents and their respective boards of directors (and not in its personal capacity), as the Monitor considers necessary or desirable, in consultation with the Applicant, to
- (a) conduct and control the financial affairs and operations of the Respondents and carry on business of any of the Respondents, including, without limitation, by:
 - (i) controlling the Respondents' receipts and disbursements;
 - (ii) executing banking and other transactions and executing any documents or taking any other action that is necessary or appropriate for the purpose of the exercise of this power;
 - (iii) executing such documents as may be necessary in connection with any proceedings before this Court or pursuant to any Order of this Court;
 - (iv) taking any action or steps that any of the Respondents can take pursuant to the CCAA, this Order or further order of this Court, including making distributions or payments;
 - (v) negotiating and entering into agreements with respect to the Business or the Property;

- (vi) applying to the Court for any orders which may be necessary or appropriate in order to convey the Property of any Respondent to a purchaser or purchasers thereof;
 - (vii) exercising any rights of the Respondents;
 - (viii) exercising any shareholder, partner, member or other rights and privileges available to any of the Respondents for and on behalf and in the name of any of them;
 - (ix) taking any and all corporate governance actions for the Respondents , including, without limitation, exercising any powers which may be properly exercised by any board of directors of the Respondents;
 - (x) making and pursuing claims under any insurance policy pursuant to which any Respondent is insured;
 - (xi) settling, extending or compromising any indebtedness owing to or by the Respondents;
 - (xii) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Respondents, the Business or the Property and to settle or compromise any such proceeding; and
 - (xiii) applying for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the Respondents;
- (b) preserve, protect and exercise control over the Business or Property, or any parts thereof, including, without limitation, to
- (i) receive, collect and exercise control over all proceeds of sale of any of the Property;
 - (ii) sell and monetize any of the Property;

- (iii) exercise all remedies of the Respondents in collecting monies owed or hereafter owing to the Respondents and to enforce any security held by the Respondents; and
- (iv) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to this Order; and
- (c) take any steps, enter into any agreements, execute any documents, incur any obligations or take any other action necessary, useful or incidental to the exercise of any of the aforesaid powers,

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Respondents, and without interference from any other Person.

24. The Monitor shall, subject to the Cash Management System and the Interim Financing Term Sheet, be authorized and empowered, but not required, to operate and control, for and on behalf of and in the name of the Respondents, all of the Respondents' existing accounts at any financial institution (each an "**Account**" and collectively, the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation, to:
- (a) exercise control over the funds credited to or deposited in the Accounts;
 - (b) effect any disbursement from the Accounts permitted by this Order or any other Order of this Court;
 - (c) give instructions from time to time with respect to the Accounts and the funds credited or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and
 - (d) add or remove Persons having signing authority with respect to any Account or to direct the closing of any Account.
25. The Respondents and their subsidiaries and affiliates and each of their respective directors, officers, employees and agents, accountants, auditors and all other Persons having notice of this Order shall cooperate with the Monitor in discharging its duties and

forthwith provide the Monitor with unrestricted access to all of the Business and the Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Respondents.

26. Neither the Monitor nor any employee, representative or agent of the Monitor shall be deemed to: (i) be a director, officer, employee or trustee of the Respondents, (ii) be a legal representative or Person to whom section 150(3) of the Income Tax Act (Canada) applies; (iii) assume any obligation of the Respondents or any one of them; or (iv) assume any fiduciary duty towards the Respondents or any other Person, including any creditor or shareholder of the Respondents.
27. The Monitor shall not be liable for any employee-related liabilities in respect of the employees of the Respondents, including any successor employer liabilities as provided for in Section 11.8(1) of the CCAA. Nothing in this Order shall cause the Monitor to be liable for any employee-related liabilities in respect of the employees of the Respondents, including wages, severance pay, termination pay, vacation pay, and pension or benefits amounts.
28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in the pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

29. The Monitor shall provide any creditor of the Respondents and Interim Lender with information provided by the Respondents in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Respondents is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Respondents may agree.
30. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Respondents as part of the costs of these proceedings. The Respondents are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicant on a monthly basis or as the Monitor and such foregoing Persons may agree.
32. The Monitor and its legal counsel shall pass their accounts from time to time.

ADMINISTRATION CHARGE

33. The Monitor, counsel to the Monitor and the Applicant's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$600,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 47 and 49 hereof.

INTERIM FINANCING

34. The Monitor, for and on behalf of the Respondents, is hereby authorized and empowered to obtain and borrow under a credit facility from the Bank of Montreal (in such capacity, the “**Interim Lender**”) in order to finance the Respondents’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2,500,000 (plus interest, costs and fees) unless permitted by further order of this Court.
35. Such credit facility shall be on the terms and subject to the conditions set forth in the interim financing term sheet between the Monitor, for and on behalf of the Respondents, and the Interim Lender, substantially in the form attached as Exhibit “57” to the Syed Affidavit No. 1 (the “**Interim Financing Term Sheet**”), filed.
36. The Respondents are authorized and directed to pay and perform all of the indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Interim Financing Term Sheet as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the “**Interim Lender's Charge**”) on the Property to secure all obligations under the Interim Financing Term Sheet incurred on or after the date of this Order which charge shall not exceed the aggregate amount of \$2,500,000 (plus interest, costs and fees). The Interim Lender’s Charge shall not secure any obligation existing before this the date this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 47 and 49 hereof.
38. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge;
 - (b) upon the occurrence of an event of default under the Interim Financing Term Sheet or the Interim Lender's Charge, the Interim Lender, upon 7 days notice to the Respondents and the Monitor, may exercise any and all of its rights and remedies against the Respondents or the Property under or pursuant to the Interim

Financing Term Sheet and the Interim Lender's Charge, including without limitation, to cease making advances to the Respondents and set off and/or consolidate any amounts owing by the Interim Lender to the Respondents against the obligations of the Respondents to the Interim Lender under the Interim Financing Term Sheet or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Respondents and for the appointment of a trustee in bankruptcy of the Respondents; and

- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Respondents or the Property.

- 39. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Respondents under the CCAA, or any proposal filed by the Respondents under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), with respect to any advances made under the Interim Financing Term Sheet.

SALES AGENT CHARGE

- 40. The Sales Agent (as defined in the First Report) shall be entitled to the benefits of and is hereby granted a charge (the “**Sales Agent Charge**”) on the Property to secure the amounts that may become owing to it pursuant to the Sales Agent Engagement Letter (as defined in the First Report), provided that such charge shall not exceed an aggregate amount of \$350,000. The Sales Agent Charge shall have the priority set out in paragraphs 47 and 49 hereof.

KEY EMPLOYEE RETENTION PLAN AND CHARGE

- 41. The Key Employee Retention Plan (the “**KERP**”), as described in the First Report and attached as Confidential Appendix “A” thereto (the “**Confidential KERP Appendix**”), is hereby approved and the Respondents are hereby authorized and directed to make the payments contemplated thereunder should the beneficiaries become entitled thereto in accordance with the terms and conditions of the KERP.

42. The key employees referred to in the KERP (the “**Key Employees**”) shall be entitled to the benefit of and are hereby granted a charge on the Property (the “**KERP Charge**”), which charge shall not exceed the aggregate amount of \$125,000 to secure any payments to the Key Employees under the KERP.
43. The KERP Charge shall have the priority set out in paragraphs 47 and 49 hereof.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

44. The Respondents shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Respondents after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
45. The directors and officers of the Respondents shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 44 of this Order. The D&O Charge shall have the priority set out in paragraphs 47 and 49 herein.
46. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge; and
 - (b) the Respondents' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 44 of this Order.

VALIDITY AND PRIORITY OF CHARGES

47. The priorities of the Administration Charge, the Interim Lender Charge, the Sales Agent Charge and the D&O Charge (collectively, the “**Charges**”), as among them, shall be as follows:
 - (a) First – Administration Charge (to the maximum amount of \$600,000);

- (b) Second – Interim Lender Charge (to the maximum amount of \$2,500,000, plus interest, costs and fees);
 - (c) Third – Sales Agent Charge (to the maximum amount of \$350,000);
 - (d) Fourth – D&O Charge (to the maximum amount of \$250,000); and
 - (e) Fifth – KERP Charge (to the maximum amount of \$125,000).
48. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
49. Each of the Charges shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts (including deemed or contractual trusts), liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.
50. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Respondents also obtain the prior written consent of the Monitor, the Interim Lender, and the beneficiaries of the Charges, or further order of this Court.
51. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

- (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Respondents, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Interim Financing Term Sheet, shall create or be deemed to constitute a new breach by the Respondents of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Respondents entering into the Interim Financing Term Sheet (by the Monitor) or the execution or delivery of any document or agreement related to the Interim Financing Term Sheet; and
 - (iii) the payments made by the Respondents pursuant to this Order, and the granting of the Charges, including the Interim Financing Term Sheet, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.
52. Any Charge created by this Order over Leases shall only be a Charge in the Respondents’ interests in such Leases.

ALLOCATION

53. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

SERVICE AND NOTICE


54. The Monitor shall (i) without delay, publish in *Insolvency Insider* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against either of the Respondents of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the names and addresses of individuals who are creditors publicly available, unless otherwise ordered by the Court.
55. The Monitor shall establish a case website in respect of the within proceedings at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/coast-automotive-group>.

GENERAL

56. The Respondents or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
57. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, Alta Reg 124/2010 unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
58. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Respondents, the Business, or the Property.
59. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Respondents, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such

assistance to the Respondents and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

60. Each of the Respondents and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
61. Any interested party (including the Respondents and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Hearing on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
62. The Initial Order is hereby amended and restated pursuant to this Order and all of its provisions are effective as of 12:01 a.m. Mountain Time on the date of this Order.


Justice of the Court of King's Bench of Alberta