

COURT FILE NUMBER

2503 - 13640

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE COMPANIES
CREDITORS ARRANGEMENT ACT, RSC 1985,
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 APPLICATION

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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File no: 0148746.0131

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Presiding Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: July 25, 2025

Time: 10:00 a.m.

Where: Calgary Courts Centre

Before Whom: The Honourable Justice M. H. Bourque

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. The Applicant, Bank of Montreal ("**BMO**") brings this Application for, among other things:
 - (a) an Amended and Restated Initial Order ("**ARIO**") substantially in a the form ~~that will be attached to the First Report of BDO Canada Limited in its capacity as Court-appointed Monitor (in such capacity, the "Monitor"), to be filed with the Court (the "First Report")~~ as Schedule "1", among other things:
 - (i) deeming service of the Application for the ~~Amended and Restated Initial Order~~ ARIO to be good and sufficient;
 - (ii) extending the stay of proceedings (the "**Stay Period**") ~~that is anticipated to be granted at a hearing scheduled before~~ pursuant to the Initial Order of the Honourable Justice Burns ~~on~~ dated July 16, 2025 ~~pursuant to a proposed draft Order (if granted,~~ (the "**Initial Order**") up to and including October 19, 2025;
 - (iii) increasing the Administration Charge (as defined in the Initial Order) to the maximum amount of \$600,000;
 - (iv) increasing the Interim Lender's Charge (as defined in the Initial Order) to the maximum principal amount of \$2,500,000, plus interest, fees and costs;
 - ~~(v) approving the Sales Agent Engagement Letter, as will be defined in the First Report;~~
 - (vi) granting a third-priority charge in favour of the Sales Agent, as will be defined in the first report (the "First Report") of BDO Canada Limited (in such capacity, the "**Monitor**"), to a maximum amount ~~to be set out in the First Report~~ of \$350,000 (the "**Sales Agent Charge**");
 - (vii) approving a fourth-priority charge in favour of the directors and officers of the Coast Auto Group, as defined below, to a maximum amount of \$250,000 ~~to be set out in the First Report;~~
 - (viii) approving the key employee retention plan ("KERP") appended as a confidential appendix to the First Report and a corresponding fifth-priority

- charge to secure the proposed payments contemplated by the KERP, up to a maximum amount of \$125,000 (the “KERP Charge”);
- (ix) authorizing payments to certain critical suppliers for pre-filing expenses which are necessary to facilitate the ongoing operations and preserve value during these proceedings up to a maximum of \$50,000 in the aggregate; and
 - (x) further expanding the powers of the Monitor as will be discussed in the First Report;
- (b) an Order (the “SISP Order”) substantially in the form attached as Schedule “2”, among other things:
- (i) approving a sale and investment solicitation process (the “SISP), ~~that will be~~ substantially in the form attached to the ~~First Report~~ SISP Order;
 - (ii) authorizing the Monitor and Sales Agent, with the assistance of the Coast Auto Group, to carry out the SISP; and
 - (iii) approving the Sales Agent Engagement Letter (as defined in the First Report);
- (c) a sealing order (the “Sealing Order”), substantially in the form attached as Schedule “3” sealing the confidential appendix to the First Report; and
- (d) such further and other relief as BMO may request and this Honourable Court may grant.

Grounds for making this application:

I. DEFINED TERMS AND BACKGROUND INFORMATION

2. The facts in support of this Application are set out in the Affidavit of Shehryar Syed, sworn July 9, 2025 (the “**Syed Affidavit No. 1**”), the Pre-Filing Report of BDO Canada Limited in its capacity as proposed Monitor, filed July 10, 2025 (the “**Pre-Filing Report**”), and the First Report, to be filed.
3. All capitalized terms used in this Application and not otherwise defined herein shall have the meaning ascribed to them in the Syed Affidavit No. 1.

II. INITIAL ORDER

4. On July 16, 2025, BMO ~~will be appearing before this Court to obtain~~ sought and obtained the Initial Order ~~wherein BMO will seek the following relief~~ pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"). Among other relief, the Initial Order:
- (a) ~~appointing~~ appointed BDO Canada Limited as Monitor of Coast Automotive Group Inc., Coast North Vancouver Auto Sales Inc., Coast Auto Drayton Inc., and 2461765 Alberta Ltd. (collectively, the "**Coast Auto Group**" or the "**Respondents**");
 - (b) ~~granting~~ granted a stay of proceedings in favour of the Coast Auto Group up to and including July 26, 2025;
 - (c) ~~approving~~ approved an interim financing facility (the "**Interim Financing Facility**") to be made available pursuant to an agreement (the "**Interim Financing Term Sheet**") between the Monitor, for and on behalf of each Respondent, as borrower, and BMO, as interim lender;
 - (d) ~~approving~~ approved the following charges over the Coast Auto Group's respective current and future Property, in the following order of priority:
 - (i) first, the Administration Charge in favour of counsel to BMO, the Monitor and counsel to the Monitor (the "**Professional Group**"), to a maximum amount of \$275,000; and
 - (ii) second, the Interim Lender's Charge up to a maximum principal amount of \$350,000 plus interest and fees;
 - (e) ~~granting~~ granted the Monitor certain enhanced powers, including but not limited to authorizing the Monitor to:
 - (i) execute the Interim Financing Term Sheet for and on behalf of each Respondent; and
 - (ii) engage the Sales Agent to assist with the SISF, and to terminate any sales agent that may have previously been engaged by the Coast Auto Group prior to the start of these CCAA proceedings.

5. The ~~proposed form of~~ Initial Order ~~provides~~ provided that the application for an extension of the Stay Period and for any ancillary relief shall be heard by this Court on July 25, 2025, or such other date as this Court may order.

III. AMENDED AND RESTATED INITIAL ORDER

A. Extended Stay Period

6. The Stay Period pursuant to the Initial Order expires on July 26, 2025, and BMO seeks to extend the Stay Period up to and including October 19, 2025 (the “**Extended Stay Period**”).
7. The updated 1~~4~~3-week cash flow forecast (the “**Cash Flow Forecast**”) will be prepared by the Monitor, with the assistance of the Coast Auto Group, and will be attached to the First Report (~~the “**Cash Flow Forecast**”~~) to demonstrate that the Coast Auto Group has sufficient cash to operate during the Extended Stay Period, subject to the Court authorizing the borrowings under the Interim Financing Term Sheet.
8. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides the Coast Auto Group and the Monitor with time to stabilize the businesses and to pursue a going-concern sale of the businesses.
9. BMO, the Monitor and the Coast Auto Group have acted and continue to act in good faith and with due diligence.
10. No creditor ~~creditors~~ will suffer material prejudice as a result of the extension of the stay of proceedings for the Extended Stay Period.

B. Increase in the Administration Charge and Interim Lender’s Charge ~~Priority Charges~~

11. The Administration Charge and the Interim Lender’s Charge in the Initial Order were limited to those amounts reasonably necessary for the Coast Auto Group’s ordinary course operations and the professional fees incurred prior to and during the initial ten-day Stay Period.
12. BMO seeks to increase the Administration Charge from \$275,000 to \$600,000 to reflect the additional work to be undertaken during these CCAA proceedings, and to more accurately reflect projected professional fees considering the complexity of these CCAA

proceedings, the work completed to date, and the expected professional work to be undertaken.

13. BMO also seeks to increase the Interim Lender's Charge from \$350,000 (plus interest, costs and fees) to \$2,500,000 (plus interest, costs and fees) to reflect the increase in borrowings permitted under the Interim Financing Term Sheet from the initial advance of \$350,000 to a total amount of \$2,500,000 throughout the Extended Stay Period. The increase of the Interim Lender's Charge is required to secure the Interim Financing Facility which will allow the Coast Auto Group to continue to operate throughout the Extended Stay Period.

~~C. Sales Agent Engagement Letter and Charge~~

- ~~14. Following the granting of the Initial Order and prior to the granting of the Amended and Restated Initial Order, the Monitor is expected to solicit offers from and select and engage a Sales Agent to assist it with running the SISF.~~
- ~~15. The proposed Sales Agent Charge will secure the fees and expenses charged by the Sales Agent to implement and manage the SISF during the CCAA proceedings.~~
- ~~16. The Sales Agent Charge is to be a third ranking charge, behind the Administration Charge and the Interim Lender's Charge.~~

C. D&O Charge

17. The directors and officers of the Coast Auto Group have requested a charge (the "**D&O Charge**") ~~as will be described in the First Report~~ as security for any obligations and liabilities that they may incur as directors and officers of the Coast Auto Group after the date of the Initial Order, up to a maximum of \$250,000.
18. The D&O Charge is required to ensure that the directors and officers of the Coast Auto Group will continue to serve in such capacity and have assurance that they are appropriately indemnified for liabilities which may be incurred by the Coast Auto Group during these proceedings and for which they may be personally liable.
19. It is proposed that the D&O Charge rank fourth-in-priority, after the Administration Charge, Interim Lender's Charge and Sales Agent Charge.

20. The continued involvement of the directors and officers is integral to minimize disruption to the business during these proceedings.
21. The directors and officers have expressed their need for certainty with respect to potential liability if they continue in their current capacities in the context of these CCAA proceedings.

D. Key Employee Retention Plan and Charge

22. As will be detailed in the First Report, the Monitor has identified a group of personnel who are critical to the company's restructuring efforts, maintaining going concern value and managing day to day operations.
23. In order to retain and incentivize these employees to continue their employment with the Coast Auto Group during these proceedings, the Monitor, in consultation with the Coast Auto Group, has developed the KERP.
24. The KERP provides for set amounts to be paid to five select critical employees and that the remaining amount be available to be allocated by the Monitor to the identified critical employees or any other employees as the Monitor may deem appropriate to preserve operations and/or going concern value of the business. The KERP contemplates that the applicable payments will be fully earned on the earlier of (i) the closing of a transaction (in respect of the applicable dealership business) arising out of the SISP; (ii) October 30, 2025; and (iii) the date upon which the services of the KERP employee are no longer required and their employment is terminated without cause.
25. The maximum aggregate amount of payments under the KERP is \$125,000. BMO is seeking a corresponding charge up to this maximum amount to secure the proposed KERP payments. The proposed KERP Charge is proposed to be a fifth-ranking charge, after the Administration Charge, the Interim Lender's Charge, the Sales Agent Charge, and the D&O Charge.
26. A comprehensive summary of the KERP and details on the applicable employees is contained as a confidential appendix to the First Report, which includes personal information and details regarding the employees participating in the KERP, and commercially-sensitive information including identifiable salary information.

E. Additional Enhanced Monitor's Powers

27. ~~Following its appointment, the Monitor will review the books and records and work with management of the Coast Auto Group.~~ BMO ~~will be~~ is seeking further enhanced powers, which will be described in detail in the First Report, for the Monitor to be able to effectively:
- (a) manage the operations of the Coast Auto Group's businesses; and
 - (b) market, sell, convey, transfer, lease or assign the Property or any part or parts of the Property out of the ordinary course of business, including through the SISP.
28. Providing these enhanced powers to the Monitor provides the most cost-efficient and effective way to conduct these CCAA proceedings to maximize value for the stakeholders.

IV. ~~Approval of the~~ SISP ORDER

29. ~~Upon~~ Since its appointment, the Monitor ~~will~~ has, in consultation with the proposed Sales Agent, designed the SISP.
30. The Monitor has selected the Sales Agent to assist it with running the SISP.
31. BMO seeks the approval of the Monitor's engagement of the Sales Agent, including the applicable engagement letter between the Monitor and the Sales Agent. The fees of the Sales Agent for its services in connection with the SISP are proposed to be secured by the Sales Agent Charge.
32. The Sales Agent Charge is proposed to be a third-ranking charge, behind the Administration Charge and the Interim Lender's Charge.
33. BMO ~~anticipates it will seek~~ is seeking approval of the SISP ~~at the July 25, 2025 hearing,~~ the engagement of the Sales Agent, the Sales Agent Charge, and authorization for the Monitor and Sales Agent to conduct the SISP.
34. The SISP ~~will be~~ is attached to the draft SISP Order at Schedule "2" to this Application.

V. SEALING ORDER

- 35. BMO seeks a sealing order in respect of the confidential appendix to the First Report.
- 36. As detailed above, the confidential appendix to the First Report contains sensitive information, including personal information related to the KERP employees.
- 37. Sealing the confidential appendix protects valid public interests including the maintenance of highly sensitive and confidential information about employees.
- 38. No stakeholder would be materially prejudiced if the personal salary information of employees of the Coast Group were to be sealed.

Material or evidence to be relied on:

- 39. Affidavit of Shehryar Syed, sworn July 9, 2025;
- 40. Brief of Law of BMO, to be filed;
- 41. Pre-Filing Report of the proposed Monitor, filed July 10, 2025;
- 42. First Report of the Monitor, to be filed; and
- 43. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

- 44. *Companies' Creditor Arrangement Act*, R.S.C. 1985, c. C-36, including ss. 2, 3, 9, 11, 11.02, 11.2, 11.52, 23 and 36.
- 45. *Alberta Rules of Court*, Alta. Reg. 124/2010, including Part 3, Division 2, Subdivision 1.
- 46. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

- 47. N/A

How the application is proposed to be heard or considered:

48. Via Webex before the Honourable Justice M. H. Bourque on the Commercial List.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered

Schedule “1”
Proposed form of Amended and Restated Initial Order

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
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ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

MILLER THOMSON LLP
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mfaheim@millerthomson.com
klagadin@millerthomson.com
File No.: 0148746.0131

DATE ON WHICH ORDER WAS PRONOUNCED:	<u>July 25, 2025</u>
NAME OF JUSTICE WHO MADE THIS ORDER:	<u>The Honourable Justice M.H. Bourque</u>
LOCATION OF HEARING:	<u>Calgary Courts Centre</u>

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

AND UPON having read the Amended 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 [], 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 “**X**” 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

Schedule “2”
Proposed form of SiSP Order

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

SISP APPROVAL 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 Amended Application, filed July [], 2025, the Affidavit No.1 of Shehryar Syed sworn July 9, 2025, the pre-filing report of BDO Canada Limited in its capacity as proposed Monitor of Coast Automotive Group Inc., Coast North Vancouver Auto Sales Inc., Coast Auto Drayton Inc., and 2461765 Alberta Ltd. (collectively, the “**Respondents**”), and the first report of BDO Canada Limited in its capacity as Monitor (in such capacity and not in its personal or corporate capacity, the “**Monitor**”);

AND UPON reviewing the CCAA Initial Order granted by the Honourable M. E. Burns, in these proceedings on July 16, 2025, as amended and restated by the Amended and Restated Initial Order granted by the Honourable Justice Bourque on July 25, 2025 (the “**ARIO**”);

AND UPON hearing counsel for BMO, counsel for the Monitor, and counsel to all other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE AND INTERPRETATION

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.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the sales and investment solicitation process (the “**SISP**”) attached hereto as **Schedule “A”**.
3. The SISP is hereby approved each of the Monitor and the Sales Agent are hereby authorized and empowered to proceed, carry out, and implement the SISP pursuant to the terms thereof and take any and all actions or steps related thereto that they consider necessary or appropriate in carrying out their obligations under the SISP, subject to approval of this Court being obtained before the completion of any transaction(s) resulting from the SISP.

4. The engagement letter (the “**Sales Agent Engagement Letter**”) between the Monitor for and on behalf of the Respondents and the Sales Agent is hereby approved, and the Monitor is authorized and directed to execute and deliver the Sales Agent Engagement Letter, and to pay all corresponding fees and expenses owed thereunder to the Sales Agent, in accordance with the terms of the Sales Agent Engagement Letter.
5. Each of the Monitor and the Sales Agent and their respective affiliates, partners, directors, employees, advisors, agents, shareholders, and controlling persons, shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of any of the foregoing in performing their obligations under the SISP.
6. In implementing the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in these CCAA proceedings.
7. The Monitor is hereby authorized and empowered to apply to this Honourable Court to amend, vary, or seek any advice, directions, or the approval or vesting of any transactions, in connection with the SISP.
8. Pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Monitor and the Sales Agent are authorized and permitted to send, cause or permit to be sent, commercial electronic messages to electronic addresses of Potential Bidders and their advisors, but only to the extent required to provide information with respect to the SISP.
9. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor and the Sales Agent, and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants (each, a “**SISP Participant**”) and their advisors personal information of identifiable individuals (“**Personal Information**”), records pertaining to the Respondents’ past and current employees, and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a Transaction. Each SISP Participant to whom such Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation

of a Transaction, and if it does not complete a Transaction, shall return all such information to the Monitor or the Sales Agent, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor or the Sales Agent. Any Successful Bidder shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the Personal Information provided to it that is related to the Business and/or Property acquired pursuant to the SISF in a manner that is in all material respects identical to the prior use of such information by the Respondents, and shall return all other Personal Information to the Monitor or the Sales Agent, or ensure that all other Personal Information is destroyed and provide confirmation of its destruction if requested by the Monitor or the Sales Agent.

10. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Monitor's website at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/coast-automotive-group>.

Justice of the Court of King's Bench of Alberta

Schedule "A"

Sale and Investment Solicitation Process

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On July 16, 2025, the Bank of Montreal, in its capacity as the senior secured lender to Coast Automotive Group Inc. (“**Coast Automotive**”), Coast North Vancouver Auto Sales Inc. (“**Coast North Van**”), Coast Auto Drayton Inc. (“**Coast Drayton Valley**”) and 2461765 Alberta Ltd. (“**246**”, and together with Coast Automotive, Coast North Van, and Coast Drayton Valley, the “**Respondents**”, the “**Coast Auto Group**” or the “**Company**”), were granted an initial order (as amended and restated on July 25, 2025, and as may be further amended or amended and restated from time to time, the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**” and the “**CCAA Proceedings**”) by the Court of King’s Bench of Alberta (the “**Court**”). The Initial Order, among other things:
 - (a) appointed BDO Canada Limited as the monitor of the Respondents (in such capacity and not in its personal or corporate capacity, the “**Monitor**”) and expanded the powers of the Monitor;
 - (b) authorized the Monitor, on behalf of the Company, to enter into an interim financing term sheet with the Bank of Montreal (the “**Interim Lender**”); and
 - (c) authorized the Monitor to pursue all avenues of sale or investment of the Respondents’ assets or business, in whole or in part, subject to prior approval of the Court of any material sale.
2. On July 25, 2025, the Court granted an order (the “**Sale Process Approval Order**”) which, among other things:
 - (a) approved a sale and investment solicitation process (“**SISP**”) for the marketing and sale of the equity in the Company and/or the Company’s business and assets, including its two (2) dealerships and related assets (the “**Dealership Asset(s)**”) and its owned and leased real estate assets (collectively with the Dealership Assets, the “**Property**”) for the purposes of soliciting (i) offers to acquire all or substantially all of the business and Property of the Company, and (ii) offers of investment in the business of the Company;
 - (b) approved the engagement of Dealer Solutions North America Inc. as sales agent (the “**Sales Agent**”) to assist the Monitor with carrying out the SISP; and
 - (c) authorized the Monitor, with the assistance of the Sales Agent, to conduct the SISP.
3. The SISP herein sets out the manner in which: (a) binding offers for executable Transactions (defined below) involving the business and/or all, substantially all or any portion of the Property of the Company will be solicited from interested parties (the “**Opportunity**”); (b) any such offers received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The SISP will be conducted by the Sales Agent and the Monitor in the manner set forth herein and in accordance with the Sale Process Approval Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.

OPPORTUNITY

5. The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern or a sale of all, substantially all or one or more components of the Company's Property as a going concern or otherwise.
6. The Sales Agent, with the oversight of the Monitor, intends to provide all qualified interested parties with an opportunity to participate in the SISP.
7. The Company's management and/or any of the Company's equity holders shall not be privy to any of the bid information submitted pursuant to the SISP including the evaluation and selection of offers. The Monitor may request, at any time, written confirmation from the Company's management and any of the Company's equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any party participating in the SISP.

"AS IS, WHERE IS BASIS"

8. Any transaction involving all or any portion of the Property (each a **"Transaction"**) will be completed with Court approval on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Company, Sales Agent, the Monitor, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

9. The SISP shall commence immediately following the issuance of the Sale Process Approval Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Tuesday, August 5, 2025
Expression of Interest Date (EOI Deadline)	Friday, September 5, 2025 (12:00 PM MT)
EOI Selection Date	Tuesday, September 9, 2025
Binding Bid Deadline	Friday, September 26, 2025 (12:00 PM MT)
Selection of Qualified Bids	Tuesday September 30, 2025
Selection of Successful Bidder(s) and Execution of Definitive Transaction Agreement(s)	October 3, 2025

Hearing of the Sale Approval Motion	Subject to Court availability, week of October 13, 2025
Closing the Transaction (Outside Date)	No later than Wednesday, November 12, 2025

10. As set out at paragraph 38 below, the various deadlines herein may be extended by and at the discretion of the Monitor, in consultation with the Sales Agent and the Interim Lender.

Solicitation of Interest: Notice of the SISP

11. As soon as reasonably practicable, but in any event by no later than **Monday, August 4, 2025**
- (a) The Sales Agent, with approval of the Monitor, will prepare a list of potentially interested parties, including (i) parties that have approached the Company, Monitor or the Sales Agent indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties that the Sales Agent in consultation with the Monitor, believes may be interested in purchasing all or part of the Property or investing in the Company pursuant to the SISP (collectively, the “**Known Potential Bidders**”); and
 - (b) the Sales Agent, with the approval of the Monitor, will prepare:
 - (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor which inures to the benefit of any purchaser of the business or Property of the Company, or any portion thereof (the “**NDA**”).
12. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Company or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

13. Any party who wishes to participate in the SISP (“**Potential Bidder(s)**”) must provide to the Sales Agent an executed NDA and a letter (“**Interest Letter**”) setting forth (a) the identity of the Potential Bidder, (b) the contact information for such Potential Bidder, (c) full disclosure of the direct and indirect principals of the Potential Bidder, and (d) evidence of financial wherewithal to close a Transaction. Additionally, the Sales Agent, with the approval of the Monitor, may require that a Potential Bidder provide the Sales Agent with a statement of qualification (“**SoQ**”) which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder.
14. The Sales Agent, with the approval of the Monitor, shall in its reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA, Interest Letter and (if applicable) SoQ to the Sales Agent, such access to due diligence material and information relating to the Property as the Sales Agent and the Monitor deem appropriate.

15. Due diligence shall include access to a virtual data room (“**VDR**”) containing information about the Company, including its Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and which the Sales Agent, with the approval of the Monitor, may agree to provide. The Sales Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated.
16. Neither the Sales Agent, Company nor Monitor will be obligated to furnish any information relating to the Company or Property to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, select due diligence materials may be withheld from certain Potential Bidders if the Monitor, in consultation with the Sales Agent, determines such information to represent proprietary or sensitive competitive information as it relates to such Potential Bidder or otherwise.
17. Neither the Sales Agent, the Monitor nor the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the sale of the Property and makes no representation or warranty with respect to the accuracy or completeness thereof. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any Transaction they enter into with respect to the Opportunity.

Non-Binding Expressions of Interest

18. To be considered for inclusion in the next round of the process, a Potential Bidder must deliver an Expression of Interest (“**EOI**”) so as to be received by the Monitor and Sales Agent at the address specified in Schedule “1” hereto (including by e-mail) not later than **12:00 PM (Mountain Time) on September 5, 2025**, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Monitor. While EOI’s may be non-binding, at a minimum an EOI should describe in sufficient detail all material matters relating to the proposed Transaction and include clear statements with respect to the following:
 - (a) Indication of deal structure, including but not limited to, particulars setting out whether the Potential Bidder intends to: (i) make an investment in Coast Auto Group (subscribe for the issuance of shares or refinance Coast Auto Group, etc., being an “**Investment Proposal**”), (ii) acquire all, substantially all, or a portion of the Property (with an outright purchase of the shares of Coast Auto Group, being a “**Share Purchase Proposal**” and a purchase of select, all or substantially all of the assets of the Coast Auto Group, being an “**Asset Purchase Proposal**”, and collectively with a Share Purchase Proposal or Investment Proposal, a “**Proposal**”;
 - (b) Identity of the entity or entities seeking to enter into a Transaction, including the identity of any entity that controls such entity. Additionally, given the nature of this Company’s business, if the Proposal involves an acquisition of one or more Dealership Asset, then the EOI must state the individual/party that will be the dealer principal with Stellantis Canada Inc. (“**Stellantis**”).
 - (c) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
 - (d) Proposed financing for the Transaction and, if the Transaction is to be financed by means other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a Binding Bid (defined below);

- (f) Assumptions and intentions with respect to retention of management and employees;
- (g) Any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI and/or submission of a Binding Bid is conditional on any other items;
- (h) The Property included or excluded from the Transaction;
- (i) The liabilities, if any, to be assumed as part of the Transaction;
- (j) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
- (k) Contact information for those individuals who should be contacted with respect to the EOI; and
- (l) Disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

Evaluation and Selection of EOIs

- 19. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such Proposal, (iii) factors affecting the speed, certainty and value of the Transaction, including, without limitation, the terms and conditions required to complete the Transaction, (iv) the assets included or excluded from the Proposal, (v) the liabilities that are to be assumed as part of the Proposal, (vi) any restructuring costs that would arise from the Proposal, and (vii) the likelihood and timing of consummating such Transaction, each as determined by the Monitor in consultation with the Sales Agent and the Interim Lender.
- 20. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday September 9, 2025**, or at such later time as the Monitor deems appropriate, in consultation with the Sales Agent and the Interim Lender.

Binding Bid

- 21. Potential Bidders with Selected EOIs that wish to make a formal Proposal (a “**Bidder**”) shall submit a binding bid (the “**Binding Bid**”) that complies with all of the following requirements of the Monitor and the Sales Agent at the Monitor's and Sales Agent's address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Monitor and Sales Agent not later than **12:00 PM (Mountain Time) on Friday September 26, 2025** or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Monitor (the “**Binding Bid Deadline**”):
 - (a) the Binding Bid must be a binding offer in respect of:
 - (i) an Investment Proposal;
 - (ii) a Share Purchase Proposal; and/or
 - (iii) an Asset Purchase Proposal,and in each case, delivered in the form of a signed agreement based upon the relevant template, if any, included in the VDR with all exhibits and schedules thereto completed (a “**Definitive Transaction Agreement**”) and accompanied by (i) a blackline against the

relevant template, and (ii) a letter stating that the Binding Bid is irrevocable until the selection of the Successful Bidder (as defined below), or Backup Bidder (as defined below), as applicable provided that if such Bidder is selected as the Successful Bidder or the Backup Bidder, its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder.

- (b) the Binding Bid is accompanied by written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed Transaction, that will allow the Monitor and the Sales Agent to make a determination as to the Bidder's financial and other capabilities to consummate the proposed Transaction;
- (c) the Binding Bid is not conditional on, (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company or the Binding Bidder receiving any approvals or amendments relating to the supply management, distribution and licence agreements required to operate any Dealership Asset (other than the dealer principal individual/party approval by Stellantis);
- (d) the Binding Bid fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such Binding Bid (including the dealer principal individual/party with Stellantis);
- (e) for a Share Purchase Proposal or Asset Purchase Proposal, the Binding Bid includes:
 - (i) the Purchase Price in Canadian dollars (by asset type and Coast Auto Group entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the Transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the manner in which the Transaction will be funded;
 - (iv) a description of the conditions and approvals required to close the Transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and the liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Proposal to the Transaction; and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit in an amount equal to the greater of: 10% of the Purchase Price offered or \$250,000 per Dealership Asset, upon the Bidder being selected as the Successful Bidder, which deposit shall be dealt with in accordance with the relevant Definitive Transaction Agreement.
- (f) for an Investment Proposal, the Binding Bid includes:
 - (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;

- (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the Transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit in an amount equal to the greater of: 10% of the total new investment contemplated or \$250,000 per Dealership Asset, upon the Bidder being selected as the Successful Bidder, which deposit will be dealt with in accordance with the relevant Definitive Transaction Agreement.
 - (g) the Binding Bid includes acknowledgements and representations of the Bidder that the Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Company prior to making its offer;
 - (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Binding Bid; and
 - (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or accuracy or completeness of any information provided in connection therewith;
 - (h) the Binding Bid is received by the Binding Bid Deadline; and
 - (i) the Binding Bid contemplates closing the Transaction set out therein no later than **Wednesday, November 12, 2025**, subject to obtaining Court approval.
22. Following the Binding Bid Deadline, the Sales Agent, the Monitor and the Interim Lender will assess the Binding Bids received. The Sales Agent, with the approval of the Monitor, will, based on the factors set out at paragraph 27 below, designate the most competitive Binding Bids that comply with the foregoing requirements to be “**Qualified Bids**”. Only Bidders whose bids have been designated as Qualified Bids (“**Qualified Bidder(s)**”) are eligible to become the Successful Bidder(s).
23. The Sales Agent shall notify each Bidder in writing as to whether its Binding Bid constitutes a Qualified Bid by no later than **Tuesday September 30, 2025**, or at such later time as the Monitor deems appropriate.
24. The Monitor, in consultation with the Sales Agent and the Interim Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Binding Bid to be a Qualified Bid.
25. In the event that the Monitor, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Monitor may, in consultation with the Sales Agent and Interim Lender, extend the Binding Bid Deadline or otherwise amend the SISP as provided for herein.

26. The Monitor may, in consultation with the Sales Agent, aggregate separate and non-overlapping Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

27. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such Transaction, (iii) the proposed Definitive Transaction Agreement and any accompanying or related transaction documents, (iv) factors affecting the speed, certainty and value of the Transaction, (v) the assets included or excluded from the Transaction, (vi) the Liabilities that are to be assumed as part of the Transaction, (vii) any restructuring costs that would arise from such Transaction, and (viii) the likelihood and timing of consummating such Transaction, each as determined by the Sales Agent, the Monitor and the Interim Lender.

Finalization of Definitive Transaction Agreement(s)

28. Each Qualified Bidder shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement by **Friday October 3, 2025**, unless extended by the Monitor, in consultation with and approval from the Interim Lender, subject to the milestones or deadlines set forth in paragraph 9.

Selection of Successful Bid

29. The Monitor, in consultation with the Sales Agent and the Interim Lender, will, by **Friday October 3, 2025**:
- (a) review each Qualified Bid, the finalized Definitive Transaction Agreement and accompanying transaction documents with consideration of the following:
 - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the likelihood of Stellantis accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a Transaction by **November 12, 2025** or earlier (including factors such as the Transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
 - (v) any other factors the Monitor may reasonably deem relevant;
 - (b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Bidder**"), and notify or inform the Successful Bidder that its bid or Qualified Bid is the Successful Bid; and
 - (c) if the Monitor, in consultation with the Sales Agent and the Interim Lender, determines it to be appropriate to do so, the Monitor may identify a particular bid other than the Successful Bid as a backup bid (the "**Backup Bid**", and the bidder making such bid the

“Backup Bidder”), and notify or inform the Backup Bidder that its bid or Qualified Bid is the Backup Bid.

Sale Approval Motion Hearing

30. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Bidder (the **“Sale Approval Motion”**). At the Sale Approval Motion, the Monitor or the Company shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid and Backup Bid, if any, shall be deemed to be rejected by the Monitor on and as of the date of approval of the Successful Bid by the Court (with such Backup Bid to be held in abeyance in the event that the Transaction contemplated in the Successful Bid fails to close on or before November 12, 2025, for whatever reason).

Confidentiality and Access to Information

31. All discussions regarding a Proposal or bid in the SISP should be directed through the Sales Agent. Under no circumstances should the management or employees of the Company be contacted directly without the prior consent of the Sales Agent. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Company, the Sales Agent and such other Bidders or Potential Bidders in connection with the SISP, except to the extent the Monitor, in consultation with the Sales Agent, and consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.
33. Following the Binding Bid Deadline, copies of all Binding Bids shall be shared by the Sales Agent and the Monitor with the Interim Lender for its exclusive review and the Monitor is entitled to consult with the Interim Lender throughout the SISP, provided that the Interim Lender is not entitled to participate in the SISP as a Bidder.

Supervision of the SISP

34. The Sales Agent shall conduct the SISP, with the oversight of the Monitor in the manner set out in this SISP procedure and is entitled to receive all information in relation to the SISP.
35. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Sales Agent or the Monitor and any Potential Bidder, any Bidder, Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Company and/or Monitor.
36. Without limiting the preceding paragraph, the Sales Agent and Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, Qualified Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Sales Agent or Monitor. By submitting a bid or otherwise participating in the SISP, each Potential Bidder, Bidder, Qualified Bidder and Successful Bidder shall be deemed to have agreed that it has no claim

against the Sales Agent and Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Sales Agent or Monitor.

37. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.
38. Notwithstanding the process and deadlines outlined above with respect to the SISP, the Monitor may at any time in consultation with the Sales Agent and the Interim Lender: (i) pause, terminate, amend or modify the SISP; (ii) remove any portion of the business and the Property from the SISP; (iii) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set out in the SISP; and (iv) establish further or other procedures for the SISP, provided that (a) notwithstanding any other provision of the SISP, the deadline to close any Transaction in respect of the Property or the business (the “**Outside Date**”) may not be extended later than November 12, 2025 without the consent of the Interim Lender; and (b) the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein and a copy thereof shall be posted on the Monitor’s website.

Schedule “1”

Address of the Monitor and Sales Agent

To the Monitor:

BDO Canada Limited
20 Wellington Street East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Heron Yin

Email: clonergan@bdo.ca

Email: hyin@bdo.ca

To the Sales Agent:

Dealer Solutions North America Inc.
305 Renfrew Drive, #202
Markham, Ontario
L3R 9S7

Attention: John Raymond or Etienne Demeules

Email: john.raymond@dsma.com

Email: etienne.demeules@dsma.com

Schedule “3”
Proposed form of Sealing Order

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 <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , 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	ORDER (Restricted Court Access)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Eighth Avenue Place East 43 rd Floor, 525 8 th 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:	<u>July 25, 2025</u>
NAME OF JUSTICE WHO MADE THIS ORDER:	<u>The Honourable Justice M.H. Bourque</u>
LOCATION OF HEARING:	<u>Calgary Courts Centre</u>

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

AND UPON having read the Amended Application, the first report of BDO Canada Limited, in its capacity as court-appointed Monitor (in such capacity and not in its personal or corporate capacity, the “**Monitor**”) of Coast Automotive Group Inc., Coast North Vancouver Auto Sales Inc., Coast Auto Drayton Inc., and 2461765 Alberta Ltd., dated July [18], 2025 (the “**First Report**”), and the affidavit of service;

AND UPON hearing counsel for BMO, counsel for the Monitor and other counsel present;

AND UPON having read the confirmation of the notice to the media regarding the application to restrict access, dated July 18, 2025,

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of this Application is hereby abridged and deemed good and sufficient, if applicable, and this application is properly returnable today.

SEALING ORDER

2. Confidential Appendix “X” to the First Report shall be sealed on the Court file, not form part of the public record, and not be available for public inspection until further order of this Court.
3. Confidential Appendix “X” to the First Report shall be sealed and filed in an envelope containing the following statement thereon:

THIS ENVELOPE CONTAINS CONFIDENTIAL APPENDIX “X” TO THE FIRST REPORT OF THE MONITOR, DATED JULY 18, 2025, WHICH SHALL BE SEALED ON THE COURT RECORD AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESSIBLE UNTIL FURTHER ORDER OF THIS COURT.

4. Leave is hereby granted to any person, entity, or party affected by this Order to apply to this Court for a further Order vacating, substituting, modifying, or varying the terms of this Order, with such application to be brought on notice to the Monitor and any other affected party.
5. The Monitor is at liberty to apply for advice and direction as may be necessary to give full force and effect to the terms of this Order.

SERVICE OF ORDER

6. Service of this Order may be effected by facsimile, electronic mail, personal delivery, courier, or regular mail.

Justice of the Court of King's Bench of
Alberta