

COURT FILE NUMBER

2501 - 13057

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

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

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
2345137 ALBERTA LTD., 2351497
ALBERTA LTD., 2497902 ALBERTA LTD.,
SUMMIT S AUTO LTD., SUMMIT V AUTO
LTD., MK AUTO K-M LTD., 2437342
ALBERTA LTD., 1972207 ALBERTA LTD.,
1175104 B.C. LTD., 1262113 B.C. LTD., AND
1272986 B.C. LTD.



APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497
ALBERTA LTD., 2497902 ALBERTA LTD.,
SUMMIT S AUTO LTD., SUMMIT V AUTO
LTD., MK AUTO K-M LTD., 2437342
ALBERTA LTD., 1972207 ALBERTA LTD.,
1175104 B.C. LTD., 1262113 B.C. LTD., AND
1272986 B.C. LTD.

DOCUMENT

**FOURTH REPORT OF BDO CANADA
LIMITED, IN ITS CAPACITY AS THE
COURT-APPOINTED MONITOR**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon the application by the Bank of Montreal (“**BMO**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court:
 - a) granted an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Debtors’ then ongoing sales process;
 - b) appointed the Monitor and granted expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
 - c) appointed the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. (“**Full Circle**”) over the Debtors;
 - d) granted a charge over the Debtors’ property (the “**Property**”) to stand as security for payment by the Companies of the professional fees and disbursements of BMO’s legal counsel, the Monitor and its independent legal counsel, and the CRO, in an aggregate amount not to exceed \$350,000 (the “**Administration Charge**”);

- e) authorized the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors' operations during the CCAA Proceedings and a charge over the Property to stand as security (the "**Monitor's Borrowing Charge**"); and
 - f) granted a charge over the Property to stand as security for the Debtors' obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Court Ordered Charges**").
3. The Initial Order contemplated a comeback application on August 27, 2025 (the "**Comeback Hearing**").
4. At the Comeback Hearing, the Court granted an amended and restated initial order (the "**ARIO**"). The ARIO, among other things:
- a) extended the Stay of Proceedings until and including September 26, 2025;
 - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
 - c) approved an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
 - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO's security; and
 - e) reaffirmed the Monitor's authority to manage and operate the Companies' businesses and oversee sales efforts through its expanded powers.
5. On September 19, 2025, upon the application of the Monitor, the Court granted the following additional orders:
- a) an order (the "**Stay Extension Order**") which, among other things:
 - (i) extended the Stay of Proceedings up to and including November 21, 2025; and
 - (ii) granted the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor

to conduct investigations, compel production of records relating to the Companies or the businesses of the Companies, and to compel examination under oath of any person reasonably thought to have knowledge relating to the Companies or the businesses of the Companies (“**Investigative Powers**”); and

b) an order (the “**SISP Approval Order**”) which, among other things:

- (i) approved a sale and investment solicitation process (the “**SISP**”); and
- (ii) approved the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the “**Sales Agent**” or “**Tim Lamb**”) to administer and manage the SISP with the oversight of the Monitor.

6. On November 13, 2025, upon the application of the Monitor, the Court granted the following additional orders:

a) an order (the “**Second Stay Extension Order**”) which, among other things:

- (i) extended the Stay of Proceedings up to and including January 30, 2026;
- (ii) approved the activities of the Monitor since the Second Report;
- (iii) approved the accounts of the Monitor and its legal counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date;
- (iv) authorized the Monitor to make distributions to BMO in its capacity as the senior secured lender;
- (v) authorized the Monitor to have full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of 2412170 Alberta Ltd. (“**Westcastle Dealership**”) and 2416326 Alberta Ltd. (“**Westcastle RealCo**”), together operating as Westcastle Chevrolet Buick GMC (“**Westcastle GMC**”); and

- (vi) temporarily sealed the Confidential Supplement to the Third Report until the termination of the within CCAA Proceedings or until further order of this Honourable Court;
 - b) an order (the “**Arrow VW AVO**”) to approve and authorize the sale transaction (the “**Arrow VW Transaction**”) for certain assets, undertakings and properties of Arrow VW and Real Co (together, the “**Arrow VW Vendors**”), pursuant to a purchase and sale agreement between the Arrow VW Vendors as vendors and K5 IG Holdings Inc. as purchaser (the “**Arrow VW Purchaser**”) dated as of November 7, 2025 (the “**Arrow VW Sale Agreement**”); and
 - c) an order (the “**Castle Ford AVO**”) to approve and authorize the sale transaction (the “**Castle Ford Transaction**”, and together with the Arrow VW Transaction, the “**Transactions**”) for certain assets, undertakings and properties of Castle Ford and Real Co (together, the “**Castle Ford Vendors**”), pursuant to a purchase and sale agreement between the Castle Ford Vendors as vendors and Davis Auto Group Ltd. as purchaser (the “**Castle Ford Purchaser**”) dated as of November 6, 2025 (the “**Castle Ford Sale Agreement**”).
7. To date, the Monitor has provided the Court with the following reports (the “**Previous Reports**”):
- a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the “**Pre-Filing Report**”) in connection with the application for the Initial Order. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**;
 - b) the First Report of the Monitor filed August 27, 2025 (the “**First Report**”) in connection with the application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**; and
 - c) the Second Report of the Monitor filed September 10, 2025 (the “**Second Report**”) in connection with the application for the Stay Extension Order and the SISP Approval Order. The Second Report (without appendices) is attached hereto as **Appendix “C”**; and

- d) the Third Report of the Monitor filed on November 7, 2025 (the “**Third Report**”) in connection with the application for the Second Stay Extension Order, and approval of the Transactions. The Third Report (without appendices) is attached hereto as **Appendix “D”**.

PURPOSE

8. The purpose of this Fourth Report of the Monitor (the “**Fourth Report**”) is to provide information to the Court with respect to:

- a) background information with regards to Westcastle GMC, including BDO’s qualifications to act as the Monitor given its familiarity with Westcastle GMC, and BDO’s activities to date with regards to Westcastle GMC;
- b) initial findings of the CRO since its appointment as the director and officer of Westcastle GMC;
- c) details of the Westcastle GMC sale process and the Westcastle GMC Transactions (as herein defined);
- d) the Monitor’s comments and recommendations with respect to the application returnable on January 7, 2025 (the “**Jan 7 Application**”), seeking orders for the following relief:
 - (i) first, an order, among other things:
 - I. including Westcastle Dealership and Westcastle RealCo within the ambit of the CCAA proceedings;
 - II. granting two (2) super priority charges against the Westcastle GMC Sale Proceeds (as herein defined), Remaining Sales Proceeds (as herein defined) and any remaining realizations from the excluded assets not purchased in the Westcastle GMC Transactions (together the “**Westcastle GMC Assets**”) subject only to the interest of the Toronto Dominion Bank (“**TD Bank**”):
 - a) first, the Westcastle Administration Charge (as hereinafter defined) in the amount of \$250,000 in favour of the Professionals Group (as herein defined), to secure payment

of professional fees and disbursements related specifically to Westcastle GMC; and

- b) second, a charge up to a maximum amount of \$150,000, to secure the payment of expenses required for the administration of the Westcastle GMC Assets (the **“Westcastle Borrowing Charge”**) to cover for Monitor’s borrowing directly from BMO through the issuance of Westcastle Borrowing Certificates.

III. authorizing the Monitor to make a pre-filing success fee payment to the Sales Agent for the Westcastle GMC Transactions; and

IV. authorizing the Monitor to make distributions to the senior secured lender of Westcastle GMC, TD Bank.

(ii) second, an order (**“Vesting Order”**), among other things,

- I. certain of the assets, undertakings and properties of the Westcastle Dealership, pursuant to an asset purchase agreement (**“Westcastle Dealership Sale Agreement”**) between the Westcastle Dealership as vendor and 2672671 Alberta Ltd., a third-party purchaser (the **“Westcastle Dealership Purchaser”**), and two (2) real estate commercial purchase contracts between Westcastle RealCo and the Westcastle Dealership Purchaser (the **“Westcastle RealCo Sale Agreements”**, and together with the Westcastle Dealership Sale Agreement, the **“Westcastle Sale Agreements”**) in the name of the Westcastle Dealership Purchaser of Westcastle GMC’s right, title and interest in and to the purchased assets free and clear of any claims and encumbrances (the **“Westcastle GMC Transactions”**);

9. The Previous Reports and other Court materials in connection with the CCAA Proceedings are available on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/summit->

[automotive-group](#) (the “**Monitor’s Website**”). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.

10. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Previous Reports.

TERMS OF REFERENCE

11. In preparing this Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit (herein defined), discussions between the CRO and management of the Debtors (“**Management**”), discussions with BMO and information from other third-party sources (collectively, the “**Information**”). Except as described in the Third Report in respect of the Revised Cash Flow Forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b) some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
12. Future oriented financial information referred to in this Fourth Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.

13. Unless otherwise indicated, the Monitor's understanding of the factual matters expressed in this Fourth Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
15. This Fourth Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the "**Gil Affidavit**"), and the Previous Reports, which can be found on the Monitor's Website and contain background information with respect to the Companies' businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

BACKGROUND INFORMATION

16. Westcastle GMC operated a Chevrolet, Buick and GMC dealership in Pincher Creek, Alberta. MK Auto is the sole voting shareholder and owns or controls 100% of the interests of Westcastle GMC. Westcastle GMC is an affiliate of the Summit Auto Group.
17. Westcastle GMC's primary secured creditor is TD Bank.
18. Initially, it was contemplated that Westcastle GMC would be a part of the CCAA Proceedings as it is an affiliate of the Summit Auto Group and share the same mind and management (including through the shared oversight from Mr. Michael Koch ("**Mr. Koch**") and Mr. Don Liddell ("**Mr. Liddell**"). However, given that the primary secured creditor of Westcastle GMC is TD Bank rather than BMO, the Summit Auto Group determined that Westcastle GMC was to remain outside of the Summit Auto Group CCAA Proceedings. It is apparent to the Monitor that Westcastle GMC is intertwined with the Summit Auto Group entities for, but not limited to, the following:
 - a) Prior to the Filing Date, Mr. Koch (majority owner), was actively involved in the management and operation of both Westcastle GMC and the Summit Auto Group;
 - b) Mr. Liddell, who served as Chief Financial Officer (also minority owner of certain Dealerships) of the Summit Auto Group also acted as the senior finance resource for Westcastle GMC;
 - c) During the period prior to the commencement of the CCAA Proceedings, management oversight and operational resources for Westcastle GMC and certain

Summit Auto Group dealerships were not fully independent. In particular, personnel were shared across Westcastle GMC and Castle Ford, including accounting and operational support; and

- d) Prior to the CCAA Proceedings, Westcastle GMC and Castle Ford were marketed together for sale, first by Mr. Koch and later by Tim Lamb as part of the Debtor-led, pre-filing sales process. Castle Ford and Westcastle GMC are near one another in Pincher Creek, AB, and hence the two (2) dealerships historically operated with shared management oversight, including a previous general manager responsible for both stores. The joint sale approach was a result of this operational linkage and remained in place until an earlier proposed transaction did not proceed, after which Castle Ford and Westcastle GMC were marketed to be sold separately.

- 19. As outlined in Pre-Filing Report, prior to the CCAA filing, the Omnibus Debtors and Squamish Debtors operated under forbearance arrangements with BMO dated May 29, 2025, and June 9, 2025, respectively (collectively, the “**Forbearance Agreements**”). During this period, BMO required that dealership cashflows and value be preserved within the BMO financed entities, including prohibiting the Debtors from funding shared services with Westcastle GMC. As noted in the Fourth Report and the Second CRO Report, the Monitor and CRO have identified concerns regarding vehicle transfers under market values, related-party transactions, and undocumented intercompany advances that may have resulted in the erosion of BMO’s collateral.
- 20. Once appointed, the Monitor met with Mr. Koch where he disclosed a sale of a minority stake in Westcastle GMC to Mr. Blake Tibbo (“**Mr. Tibbo**”) which he indicated was drafted but never fully executed by both parties. Additionally, Mr. Koch noted that both TD Bank and the original equipment manufacturer (“**OEM**”), General Motors of Canada, (“**GMC**”) were never notified by Mr. Koch of this proposed transaction notwithstanding OEM approval is required for such a transaction. The Monitor highlighted in its Second Report the unusual activities regarding third-party finance “pod” arrangements (“**Financing Pod(s)**”), including arrangements with Mr. Tibbo where funds from Squamish Chrysler, a BMO-financed debtor, were possibly redirected through separate entities and paid to Westcastle GMC. The Monitor understands that there were transfers or redirection of funds of at least \$500,000. At or around

the time of these transfers, the Monitor understands that TD Bank demanded funds in similar amounts be injected into Westcastle GMC by Mr. Koch to cover certain defaults. These fund transfers are addressed later in the Fourth Report, where the Monitor discusses a reserve to be withheld in the Distribution Waterfall (herein defined) on funds from the Westcastle GMC Assets.

21. On September 22, 2025, Westcastle GMC entered into the Westcastle Sale Agreements, to sell substantially all of Westcastle GMC's operating assets to the Westcastle Dealership Purchaser, including real estate subject to customary conditions.
22. On November 7, 2025, the Monitor received letter correspondence requesting the shareholder consent of MK Auto pursuant to section 190 of the *Business Corporations Act*, RSA 2000, C B-9 (the "**Shareholder Resolution**") in respect of the Westcastle GMC Transactions. The Monitor made various requests to Westcastle GMC in order to satisfy its own due-diligence and determine whether it should provide the Shareholder Resolution on behalf of MK Auto. Notwithstanding these requests, the Monitor did not obtain sufficient information required to satisfy its due diligence requirements.
23. On December 19, 2025 ("**Westcastle Closing Date**"), Westcastle GMC, the Sales Agent and counsel to TD Bank advised the Monitor that the Westcastle Dealership Purchaser had advanced funds and that the Westcastle GMC Transactions had closed.
24. The Monitor now understands that the Westcastle GMC director at the time, Mr. Koch, executed the Shareholder Resolution on behalf of MK Auto when he lacked the authority to do so.
25. The Westcastle Dealership Purchaser sent the purchase price outlined in the Westcastle Sale Agreements to Westcastle GMC's counsel in the amount of approximately \$5.501 million and the Westcastle Dealership Purchaser's lender, the Royal Bank of Canada ("**RBC**"), sent its floor line vehicle financing directly to TD Bank in the amount of approximately \$3.292 million (totalling ~\$8.893 million, the "**Westcastle GMC Sale Proceeds**"), which the Monitor understands from TD Bank's counsel that those funds are being held in a suspense account pending full payout of the TD Bank debt. Additionally, the Monitor understands that the Westcastle Dealership Purchaser still has to send approximately \$290k directly to TD Bank for

purchased vehicles that GMC did not reinvoice for in error (“**Remaining Westcastle GMC Sale Proceeds**”).

26. On December 19, 2025, a termination letter, was issued by Westcastle GMC to GMC and a new dealer code was issued by GMC to the Westcastle Dealership Purchaser. Mr. Koch also issued termination letters to each of the employees of Westcastle GMC (the “**Westcastle Former Employees**”), indicating that the Westcastle Dealership Purchaser has taken over and that they would offer employment to them on the same or similar terms and conditions as their current employment. A copy of the employee termination letter and offer of employment are attached hereto as **Appendix “E”** and **Appendix “F”**. The Westcastle Former Employees were to be paid (including accrued vacation pay) on December 24, 2025, for all time up to an including Westcastle Closing Date. The Monitor understands from the CRO that this final payroll payment was made.
27. On December 19, 2025, the then director and officer of Westcastle GMC, Mr. Koch, was replaced by Mr. Lionel Robins (“**Mr. Robins**”) of Full Circle, the Court-appointed CRO in the CCAA Proceedings.
28. Following entry into of the Westcastle Sale Agreements, certain creditors made registrations in the Alberta Personal Property Registry or Alberta Land Titles Office against the assets of Westcastle GMC, including Great North Auto and Financing Ltd. (“**Great North**”, which is owned and operated by Mr. Tibbo) and The Loan Store (the “**Westcastle GMC New Creditors**”). The Monitor notes that The Loan Store (or 1292709 Alberta Ltd. “**129 AB**”) operates under various other names such as Cars on Whyte, Auto Finance Lease and America Fleet, some of which were involved in unusual wholesale vehicle activity the Summit Auto Group and prior to the CCAA Proceedings. Attached hereto as **Appendix “G”** is 129 AB’s Alberta Motor Vehicle Industry Counsel (“**AMVIC**”) license.
- a) The Loan Store credit agreement dated April 3, 2024, for \$1.9 million, at 35% interest rate, was only disclosed to the Monitor during a phone call with Mr. Koch’s insolvency counsel on or around December 15, 2025.
 - b) The Monitor and the CRO also noted significant financial interactions between Westcastle GMC and The Loan Store (and/or other 129AB operating entities) around the Westcastle Closing Date where a number of vehicles were transferred

to The Loan Store and related entities for little or no consideration by Mr. Koch. The Monitor understands that TD Bank has registered specific VIN security registration for some of these missing vehicles that remain part their floor line credit facilities. The Monitor, on behalf of Westcastle GMC, will seek to file its own security registrations once TD Bank is fully repaid, until a determination is made regarding the validity of the security, and in particular whether appropriate consideration was received.

29. On December 22, 2025, TD Bank's legal counsel delivered written correspondence to the Westcastle Dealership Purchaser's counsel confirming that:

- a) TD Bank did not consent to the closing of the Westcastle GMC Transactions;
- b) TD Bank has not delivered any discharges or releases of security;
- c) all inventory and proceeds of sale remain subject to TD Bank's security; and
- d) TD Bank is actively considering enforcement remedies, including:
 - (i) appointment of a receiver;
 - (ii) VIN-specific registrations over inventory; and
 - (iii) other formal insolvency proceedings.

30. TD Bank further asserted that proceeds from vehicle sales belong to TD Bank and that the Westcastle Dealership Purchaser may be personally liable for proceeds and any erosion of collateral value.

31. The Westcastle Dealership Purchaser is therefore currently operating without clear and indefeasible title with regards to the purchased Westcastle GMC assets, while TD Bank has expressly reserved enforcement rights.

BDO'S QUALIFICATION TO ACT AS MONITOR OF WESTCASTLE GMC

32. BDO has been acting as Monitor in the CCAA Proceedings since its appointment under the Initial Order and, in that capacity, has developed detailed knowledge of the Summit Auto Group's operations, financial position, and stakeholder relationships.

33. Through its role as Monitor, BDO has been directly involved in reviewing and overseeing multiple investigative and reporting matters that relate to Westcastle GMC, including matters

relating to wholesale vehicle activity, intercompany and related-party transactions, flow of funds between Westcastle GMC and Summit Auto Group, and known governance and operational issues evident in both Westcastle GMC and the Summit Auto Group. The Monitor also notes that MK Auto, the sole voting shareholder of Westcastle GMC, is a part of the CCAA Proceedings, and that Westcastle GMC has historically operated with significant operational, management, and financial interconnectivity with other Summit Automotive Group entities. As a result, it is efficient and appropriate for BDO to act as Monitor in respect of Westcastle GMC, given its existing familiarity (see activities below) with the relevant operational matters and its ability to provide continuity of oversight within the existing CCAA framework.

34. BDO is a licensed insolvency trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (the “**BIA**”). BDO is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.

35. The Monitor intends to continue with the previously retained counsel, Miller Thomson LLP, to act as its independent legal counsel in matters related to Westcastle GMC.

36. With regards to Westcastle GMC, the Monitor has:

- a) engaged in extensive correspondence, at times through counsel, with:
 - (i) counsel for Westcastle GMC; and
 - (ii) counsel for TD Bank;
- b) reviewed items related to the Westcastle GMC Transactions, including but not limited to:
 - (i) Westcastle Sale Agreements;
 - (ii) proposed distribution of Westcastle GMC Assets; and
 - (iii) Westcastle GMC Transactions related costs.
- c) asserted and clarified the Monitor’s right and authority to review and oversee the Westcastle GMC Transactions;
- d) issued and reviewed multiple formal information requests seeking documentation related to Westcastle GMC, including the review of:

- (i) corporate records and minute books;
 - (ii) bank statements and activities;
 - (iii) certain system reports produced by Westcastle GMC's dealer management system;
 - (iv) wholesale transactions listings;
 - (v) bills of sales for certain vehicles of interest; and
 - (vi) intercompany balances and transactions.
- e) reviewed and considered the findings of the First CRO Report and Second CRO Report regarding governance, management involvement, and other relevant matters to Westcastle GMC;
- f) reviewed and considered the implications of TD Bank's secured position over Westcastle GMC's assets;
- g) replaced the director of Westcastle GMC to assist in the fair and equitable distribution of funds from the Westcastle GMC Transactions; and
- h) worked closely with the CRO and Westcastle Dealership Purchaser to provide guidance regarding operation and financial cut-off issues associated with the snap-closing of the Westcastle GMC Transactions.

CRO'S FINDINGS REGARDING WESTCASTLE GMC

37. As previously reported, Full Circle was retained as the CRO in connection with the CCAA Proceedings. Following the closing of the Westcastle GMC Transactions, Mr. Robins of Full Circle was appointed as a director and officer of Westcastle GMC (the "**D&O Appointment**").
38. In connection with the D&O Appointment and based on the CRO's prior involvement with the Summit Auto Group and initial review of Westcastle GMC's operations, the CRO prepared a report setting out observations relevant to the Monitor's oversight (the "**Second CRO Report**"), a copy of which is attached hereto as **Appendix "H"**.
39. The Second CRO Report summarizes observations relating to, among other things:

- a) wholesale vehicle activity at Westcastle GMC, including the timing of certain wholesale transactions;
- b) interconnectivity between Westcastle GMC and Summit Auto Group Dealerships, including shared management involvement, personnel, systems access, and third-party counterparties;
- c) Financing Pods that continued at Westcastle GMC following the commencement of the CCAA Proceedings;
- d) financing arrangements involving Mr. Tibbo; and
- e) other relevant considerations observed since the D&O Appointment.

40. In particular, the CRO observed that, management oversight, decision-making, and certain personnel and operational resources at Westcastle GMC were not clearly segregated from those of Summit Auto Group dealerships. The CRO also identified limited transparency in respect of certain transactions, compensation arrangements, and financing relationships.

41. The Monitor notes that the CRO's observations are based on information reviewed by the CRO, access to certain systems and records, and information provided to the CRO in the course of its duties.

INCLUSION OF WESTCASTLE GMC IN CCAA PROCEEDINGS

42. The Monitor seeks the inclusion of Westcastle Dealership and Westcastle RealCo as Applicants in the CCAA Proceedings for the following reasons, among others:

- a) the Westcastle Dealership and Westcastle RealCo entities have acted, and are acting, in good faith and with due diligence;
- b) the Westcastle Dealership and Westcastle RealCo entities are affiliate companies to the Summit Auto Group;
- c) to bring the Westcastle GMC Transaction under Court supervision and vest the Purchased Assets free and clear of encumbrances to the Westcastle Purchaser;
- d) to authorize and pay out TD Bank to remove a proven senior secured creditor and its accruing interest and professional fees;
- e) to administer the assets, which were excluded from the Westcastle GMC

Transactions, and any proceeds thereof, and address any claims through an anticipated future claims process, as required;

- f) to ensure the Monitor can complete its duties effectively through the extension of the Monitor's existing Investigative Powers over Westcastle GMC; and
- g) to ensure that Westcastle GMC obtains the benefit of the Stay of Proceedings, to provide the breathing space necessary for the CRO and Monitor to complete an efficient and cost-effective wind-up of Westcastle GMC.

43. The Westcastle GMC entities are insolvent and "debtor companies" to which the CCA applies and are eligible for protection under the CCAA.

44. As of the date of this Fourth Report, the Monitor understands that TD Bank is supportive of the inclusion of Westcastle GMC in the CCAA Proceedings on the following conditions:

- a) a security opinion confirming the validity and enforceability of TD Bank's security to support the proposed full repayment of the TD Bank Indebtedness as outlined in the Distribution Waterfall;
- b) the Court shall have granted the following on or before January 7, 2026:
 - (i) the Vesting Order;
 - (ii) the proposed distribution to TD Bank to fully repay the TD Bank Indebtedness as outlined in the Distribution Waterfall (within 7 business days), which the Monitor has deemed to be valid and enforceable by obtaining an independent legal opinion from Miller Thomson;
 - (iii) an order which allows TD Bank to be unaffected by the CCAA Proceedings or any order granted in the CCAA Proceedings, in particular the Stay and any Court-ordered Charges; and
 - (iv) the Disputed Funds Reserve (herein defined) which is inclusive of any fees incurred by TD Bank up to \$50,000 in response to any claims to be approved by Court and held by the Monitor in trust.

45. The Monitor and its counsel, remain in discussions with TD Bank and its counsel, and the Monitor is optimistic that all parties will agree to the Westcastle GMC inclusion in the CCAA Proceedings prior to the Jan 7 Application hearing given the above conditions are met.

- a) The Monitor understands that TD Bank intends to seek to appoint FTI (herein defined) as receiver of Westcastle GMC under the BIA if these conditions are not met.

46. According to the Revised Cash Flow Forecast (as described in the Third Report) and based on receipt of the Westcastle GMC Assets, there will be sufficient funding to operate the Debtors' businesses (inclusive of the Westcastle Dealership and Westcastle RealCo) during the Stay of Proceedings to January 30, 2026. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix "I"**.

Circumstances Leading up the Inclusion of Westcastle GMC in the CCAA Proceedings

47. In May and June 2025, the Summit Auto Group entities entered into the Forbearance Agreements which included terms limiting intercompany transfers and restricting cash flow to Westcastle GMC. At or around this time the, Summit Auto Group had approximately \$6.4 million in sold-in-violation¹ ("SIV") units with the BMO credit facilities (this number subsequently reached \$11+ million at Filing Date). The Monitor was told by Mr. Koch and Mr. Liddel that Westcastle GMC had no SIV units with TD Bank.

48. Additionally, around that time Westcastle GMC was in breach of its financial and reporting obligations to TD Bank as of May 16, 2024, pursuant to a default letter issued by TD.

49. In August 2025, the commencement of the CCAA Proceedings impacted Mr. Koch's ability to transfer funds and resources between the respective entities. The Monitor and the CRO leading up to the Filing Date noted financial irregularities and transfers from the Summit Auto Group entities (namely Squamish Chrysler) to Westcastle GMC which was in contravention to the Forbearance Agreements. TD Bank and BMO were made aware by the Monitor of these financial irregularities.

¹ Sold-in-violation refers to vehicles that are sold by a dealership without the corresponding repayment of the secured lender's floorplan financing in accordance with the applicable lending arrangements, resulting in the lender's collateral being sold without the corresponding repayment.

50. On September 19, 2025, TD Bank issued a demand for repayment in the amount of \$7,667,748.12 (as at September 11, 2025) and a Notice to Intention to Enforce Security in accordance with section 244 of the BIA.
51. On October 16, 2025, TD Bank engaged FTI Consulting Canada Inc. (“**FTI**”) as its financial advisor to perform a business review regarding Westcastle GMC. FTI issued a report on its findings at the end of October or early November 2025 (the “**FTI Report**”). The FTI Report assessed the Westcastle Sale Agreements and provided an estimated proceeds waterfall based on Westcastle GMC’s balance sheet (assets and liabilities) at that time (the “**November 2025 Waterfall Estimate**”), which indicated that proceeds from asset realizations would range between \$11.2 - \$11.4 million (approximately \$10.5 million was attributed to the Purchased Assets associated with the Westcastle GMC Transactions, including approximately \$5 million in vehicle inventory and associated floor line financing of the same amount). The November 2025 Waterfall Estimate also indicated that all liabilities (including intercompany amounts owed to Arrow VW and Real Co) would be paid and that approximately \$500k-\$800k of surplus realization proceeds would be available to equity (MK Auto).
- a) FTI assumed the vehicle inventory to equal the debt associated with the respective vehicles (at or around Oct 31, 2025).
 - b) The Loan Store debt of \$1.9 million (principal only) was evidentially not disclosed to FTI, and as such, did not appear in the November 2025 Waterfall Estimate.
52. Per the actual realizations from the Westcastle GMC Transactions (detailed in the distribution section below), approximately \$9.2 million was or will be received from the Westcastle Dealership Purchaser and the TD Bank debt is the same or higher which represents at a minimum a \$1.3 million (\$10.5 million less \$9.2 million) erosion of value from the November 2025 Waterfall Estimate which is almost entirely due to a reduction of inventory.
53. Given the apparent misappropriation of inventory by Mr. Koch before and at the Westcastle Closing Date (which resulted in additional SIV units as the TD Bank debt for those vehicles remains outstanding) and the recently disclosed and registered The Loan Store debt (if valid), there will be a significant shortfall within the Westcastle GMC estates.

54. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that Westcastle Dealership and Westcastle RealCo be included in the Stay of Proceedings.

WESTCASTLE GMC CHARGES

55. The Initial Order and ARIO provided for an Administration Charge, Monitor's Borrowing Charge and Directors Charge (the **"Court-ordered Charges"**). Given that TD Bank is the senior secured lender of Westcastle Dealership and Westcastle RealCo, the Court-ordered Charges will not apply to the Westcastle GMC Assets.

56. The proposed order provides for an administration charge up to a maximum amount of \$250,000 (the **"Westcastle GMC Administration Charge"**) in favour of counsel to BMO, the Monitor and its independent counsel and the CRO (the **"Professionals Group"**). Professional fee obligations secured by the Westcastle GMC Administration Charge are proposed to be paid out of the net Westcastle GMC Assets after TD Bank is repaid pursuant to the proposed distribution.

57. The Monitor is of the view that given the current liquidity constraints of Westcastle GMC, the proposed Westcastle Administration Charge is required and necessary. The Monitor is of the view that the Westcastle Administration Charge is necessary for the effective participation of the professionals in the CCAA Proceedings and believes the quantum of the Westcastle Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs accrued to the date of this Fourth Report and to be incurred during this matter.

58. The proposed order provides for the Westcastle Borrowing Charge up to a maximum principal amount of \$150,000 should funds be required to be borrowed from BMO through the issuance of borrowing certificates to fund for Westcastle GMC costs (the **"Westcastle Borrowing Certificates"**). The Westcastle Borrowing Charge provides for a charge for amounts not covered by the Westcastle Administration Charge.

59. The Monitor believes that the Westcastle Borrowing Charge is appropriate and necessary to fund any wind-down costs of the remaining Westcastle GMC operations given that the Westcastle GMC Assets after payment to TD Bank may be subject to potential secured claims.

60. The Monitor will maintain separate trust accounts and accounting for matters related to Westcastle GMC.

WESTCASTLE GMC SALE PROCESS AND WESTCASTLE GMC TRANSACIONS

Sales Process:

61. As noted in the Pre-Filing Report and First Report, the Debtors had commenced a Debtor-led sale process in 2024 led by Mr. Koch and in early 2025, where Tim Lamb Group was engaged as the sales agent (“**Previous Sales Process**”).

62. On January 24, 2025, as part of the Previous Sales Process, Tim Lamb entered into an agreement to act as the sales agent and administer a sales process for both Westcastle GMC (the “**Westcastle Sales Process**”) and Castle Ford to be marketed, and interested parties were encouraged to bid on one or both dealerships. A copy of the agreement is attached hereto as **Appendix “J”**.

63. As part of the Sales Agent’s outreach efforts, the Sales Agent was able to reach over 1,000 franchised dealers and 380 non-franchised dealers in Canada with an email blast. In addition, the Sales Agent made a LinkedIn post which received over 7,700 impressions. Through continuous follow up by call or text to each dealer in Western Canada, the Sales Agent was able to attract 52 parties that signed a confidentiality agreement to access additional information. Of the 52 parties, 37 parties expressed interest in Westcastle GMC. Any expressed interest received with regards to Castle Ford was eventually included in the CCAA Proceedings.

64. Though the Westcastle Sales Process did not have a definitive timeline set for delivery of letters of intent (“**LOI**”) or binding bids, the Sales Agent was able to secure one (1) LOI on August 22, 2025 (the “**Westcastle LOI**”). The Westcastle LOI included a non-solicitation / exclusivity clause that required the Sales Agent’s marketing initiatives to be paused upon receipt, and ultimately resulted in the successful sale of Westcastle GMC’s assets to the Westcastle Dealership Purchaser, for which the Sales Agent is owed a transaction fee of \$100,000 plus GST from Westcastle GMC.

65. The Monitor seeks authorization from this Court to make the pre-filing transaction fee to the Sales Agent under its entitlement for the Westcastle GMC Transactions.

66. As a result of the Westcastle Sales Process, a purchaser was identified that the Monitor understands to be acceptable to both Mr. Koch, TD Bank and GMC.

Westcastle GMC Transactions and Westcastle Sale Agreements

67. On September 22, 2025, Westcastle Dealership entered into the Westcastle Dealership Sale Agreement with the Westcastle Dealership Purchaser. A copy of the Westcastle Dealership Sale Agreement is attached hereto as **Appendix “K”**.

68. On September 23, 2025, Westcastle RealCo entered into the Westcastle RealCo Sale Agreements with the Westcastle Dealership Purchaser. Copies of the Westcastle RealCo Sale Agreements are attached hereto as **Appendix “L”**.

69. The Westcastle Sale Agreements contemplate a transaction whereby the Westcastle Dealership Purchaser will acquire substantially all the assets and business operations of Westcastle GMC (the “**Westcastle Purchased Assets**”), excluding only those assets expressly identified in the Westcastle Dealership Sale Agreement as “Excluded Assets”.

70. The Westcastle Purchased Assets include, among other things:

- a) all new, deferred new, and demonstrator vehicles as of closing, and certain used vehicles identified in advance of closing, unless defined as “Excluded Assets”;
- b) the real properties which Westcastle Dealership operates on, owned by Westcastle RealCo, located at 1100 Waterton Avenue, Pincher Creek, AB (“**Westcastle Real Properties**”) and severed into two (2) properties:
 - (i) legal description Plan 9311234, Block 4, Lot 5; and
 - (ii) legal description Plan 9311234, Block 4, Lot 6 (“**Lot 6**”).
- c) parts and accessories as agreed upon as of closing;
- d) equipment, fixtures, furniture, and related assets used in the business; and
- e) goodwill, licenses, permits, assigned contracts, customer deposits, warranty rights, work in progress, telephone and fax numbers, domain names, social media accounts, trade names, and software/hardware used in the business.

71. The Excluded Assets include any assets not specifically identified as “Purchased Assets” in the Westcastle Sale Agreements, including, among other things, cash, bank accounts, short term investments, corporate records unrelated to the Westcastle Purchased Assets, tax refunds, various receivables, insurance policies, and Westcastle Dealership’s lease portfolio.
72. Given the inventory levels and other Westcastle Purchased Assets may fluctuate (i.e. customer deposits) before closing, the Westcastle Dealership Sale Agreement provides for a purchase price adjustment mechanism to align the cash purchase price with assets on hand at close.
73. On or prior to the Westcastle Closing Date, the Westcastle Dealership must provide the Westcastle Dealership Purchaser with a statement of adjustment including a physical count and listings of vehicles, parts, accessories, customer deposits, work in progress, and obsolete inventory.
74. The Westcastle Dealership Sale Agreement provides for the assignment of certain contracts which will assist the Westcastle Dealership Purchaser in preserving continued operation of the Westcastle GMC dealership following closing.
75. Based on closing documents provided by the Westcastle GMC Counsel, the Westcastle Purchaser and TD Bank, the Monitor understands the purchase price was as follows:

Westcastle GMC Transactions Purchase Price	
Goodwill, Fixed Asset, Parts, etc.	\$1,700,000.00
Macleod Street Property	\$50,092.13
Lot 6	<u>\$3,751,474.08</u>
Received by Westcastle GMC Counsel	\$5,501,566.21
Vehicle Inventory (Received by TD)	<u>\$3,392,163.35</u>
Westcastle Sale Proceeds	\$8,893,729.56
Remaining Westcastle Sale Proceeds	<u>\$290,547.39</u>
Total Purchase Price	<u>\$9,184,276.95</u>

Employees

76. Under the Westcastle Dealership Sale Agreement, the Westcastle Dealership Purchaser was to provide offers of employment to all of the “Vendor’s Personnel”, at the same salary and bonus plans, otherwise on no less favourable terms and conditions, including benefits.
77. On the Westcastle Closing Date, the Westcastle Dealership was required to terminate all Vendor’s Personnel at the same time, and pay all amounts owing to Vendor’s Personnel for wages, benefits, and overtime pay up to the Westcastle Closing Date.

Closing and Closing Conditions

78. The Westcastle GMC Transactions were conditional upon, among other things, (i) Westcastle Dealership Purchaser obtaining third-party financing, (ii) delivery of customary transfer documents, (iii) Westcastle RealCo and Westcastle Dealership Purchaser having entered into a real estate purchase contract, and (iv) regulatory and manufacturer approvals necessary to complete the transaction, including approval from the respective OEM and AMVIC.

79. Closing of the Westcastle GMC Transactions occurred on December 19, 2025.

Monitor's Comments on the Westcastle GMC Transactions

80. Following the Monitor's review of the Westcastle Sales Process, the Monitor is satisfied that the Sales Agent sufficiently canvassed the market. The process involved a broad marketing effort conducted by the Sales Agent, outreach to a wide range of potential purchasers, and the solicitation of interest over an extended period.

81. The Monitor is of the view that the purchase price reflects the fair value of the purchased Westcastle GMC assets. The Monitor further notes that TD Bank, as the primary secured lender, has reviewed the transaction and supports the Westcastle GMC Transactions and Mr. Koch, who closed the transaction without shareholder approval, appears to also be supportive. In the Monitor's view, these factors (along GMC's approval of the Westcastle Dealership GMC Purchaser) collectively support the conclusion that the Westcastle GMC Transactions represent a reasonable and appropriate outcome in the circumstances.

82. The Westcastle Dealership Purchaser is a bona fide purchaser for value.

83. Based on the above-mentioned facts, the Monitor recommends that this Court grant an Order vesting the Westcastle Purchased Assets in the name of the Westcastle Dealership Purchaser, free and clear of all encumbrances.

PROPOSED DISTRIBUTION

84. As of January 2, 2026, TD Bank was owed approximately \$7,829,495 plus additional interest and fees of its professionals for December 2025 and up to and including repayment of the TD Bank debt (together with all applicable interest, fees and expenses, the "**TD Bank Indebtedness**"). Attached hereto as **Appendix "M"** is the TD Payout Email dated January 2, 2026.

85. The Monitor has been provided with an independent legal opinion from Miller Thomson which addresses the laws of Alberta, and provides that, subject to the customary assumptions and qualifications contained therein, TD Bank's security over Westcastle GMC associated with its TD Bank Indebtedness is valid and enforceable.
86. An interim distribution to TD Bank will prevent further accruing interest on the TD Bank Indebtedness benefitting the Westcastle GMC estate.
87. Based on the Westcastle GMC Sale Proceeds and Remaining Westcastle GMC Sale Proceeds arising from the Westcastle GMC Transactions and subject to maintaining a reserve for disputed funds and the new Court-ordered charges the estimated distribution waterfall ("Distribution Waterfall") is as follows:

Westcastle GMC Transactions Estimated Distribution January 2, 2025		CDN\$
1) Westcastle Dealership Sale Agreement		
Goodwill, Fixed Asset, Parts, etc.		\$1,700,000.00
Vehicles (New - 44 Units)		\$3,081,568.35
Vehicles (Used - 7 Units)		\$310,595.00
		<u>\$3,392,163.35</u>
Remaining Vehicles to Fund		\$290,547.39
Total		<u>\$3,682,710.74</u>
2) Westcastle RealCo Sale Agreements		
Macleod Street Property		\$50,092.13
Lot 6		\$3,751,474.08
Total		<u>\$3,801,566.21</u>
Total Purchase Price		\$9,184,276.95
Less:		
a) Sales Agent Fee		<u>(\$105,000.00)</u>
Funds available for Distribution	\$	9,079,276.95
b) TD Bank Debt as at January 2, 2025		(\$7,827,494.96)
Additional fees & interest		<u>(\$200,000.00)</u>
Total TD Indebtedness		(\$8,027,494.96)
c) Westcastle Administration Charge		(\$250,000.00)
d) Westcastle Borrowing Charge		(\$150,000.00)
e) Disputed Funds Reserve		<u>(\$650,000.00)</u>
Total Charges and Reserve		<u>(\$1,050,000.00)</u>
Remaining Funds After TD Payout, Charges & Reserve	\$	<u>1,781.99</u>

88. The Distribution Waterfall does not take into account any potential realizations from the excluded assets from the Westcastle GMC Transactions. The Monitor and the CRO are

currently trying to ascertain what asset may exist and/or be investigated to have assets returned to the Westcastle GMC estate for the benefit of its creditors.

89. The disputed funds reserve of \$650,000 (the “**Disputed Fund Reserve**”) relates to fund transfers from the Summit Auto Group entities to Westcastle GMC in contravention of the Forbearance Agreements and as highlighted in the Second Report. As previously mentioned, the Monitor and BMO notified TD Bank and its counsel that these transfers occurred and that they would be investigated in the CCAA Proceedings. The Monitor requires fulsome access to the Westcastle GMC books and records to assess these transactions (which to date has not been adequately provided despite various requests). The relevant parties have agreed that the Monitor shall hold these funds as a reserve pending a fulsome review by the Monitor and a claims process to be run at a later date.
90. Accordingly, the Monitor requests authority from this Court to distribute proceeds generated from the Westcastle GMC Transactions sufficient to repay the TD Bank Indebtedness.
91. If appropriate, the Monitor will seek approval of a claims process order at a future date to address any competing creditor claims including but not limited to: Mr. Tibbo (or his related corporate entities) and The Loan Store.

CONCLUSION

92. This Fourth Report has been prepared by the Monitor in support of the Monitor’s Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor’s Application.

All of which is respectfully submitted this 5th day of January 2026.

**BDO CANADA LIMITED, in its capacity
as the Monitor of the Summit Auto Group, and
not in its corporate or personal capacity.**

Per:



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

**Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without
appendices)**

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 2345137 ALBERTA LTD., 2351497
ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S
AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M
LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD.,
1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C.
LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497 ALBERTA LTD.,
2497902 ALBERTA LTD., SUMMIT S AUTO LTD.,
SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342
ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C.
LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT

PRE-FILING REPORT OF THE PROPOSED MONITOR,
BDO CANADA LIMITED

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

PROPOSED MONITOR
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- A. CONSENT TO ACT
- B. MOST RECENT FINANCIAL STATEMENTS (2023)
- C. BDO MEMORANDUM DATED MARCH 11, 2025
- D. OMNIBUS FORBEARANCE AGREEMENT DATED MAY 29, 2025
- E. SQUAMISH FORBERANCE AGREEMENT DATED JUNE 9, 2025
- F. CASH FLOW FORECAST FOR THE PERIOD AUGUST 22, 2025 TO
NOVEMBER 22, 2025
- G. AMENDED CRO ENGAGEMENT LETTER

INTRODUCTION

1. BDO Canada Limited (“**BDO**” or the “**Proposed Monitor**”) understands that the Applicant, the Bank of Montreal (“**BMO**” or the “**Applicant**”), in its capacity as the senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**” or the “**Companies**”), has brought an application (the “**CCAA Application**”) before the Court of King’s Bench of Alberta (the “**Court**”) returnable on August 22, 2025, seeking an initial order (the “**Proposed Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Proposed Initial Order, among other things, provides for (i) an initial stay of proceedings to and including September 1, 2025 (the “**Stay Period**”) to allow the Debtors an opportunity to restructure their business, (ii) a declaration that each Summit Auto Group entity is a party to which the CCAA applies, (iii) the appointment of BDO as monitor (in such capacity, the “**Monitor**”) in the CCAA proceedings (the “**CCAA Proceedings**”), (iv) approval of a Monitor’s borrowing certificate mechanism allowing the Monitor to borrow funds directly from BMO through the issuance of borrowing certificates (“**Borrowing Certificate(s)**”), (v) expansion of the powers of the Monitor, (vi) authority for the Monitor to amend the Omnibus Debtors’ financial advisor and chief restructuring officer engagement with Full Circle Automotive (“**Full Circle**” or the “**CRO**”) to include the Squamish Debtors, and (vii) certain court-ordered charges to secure fees and disbursements of the Monitor, counsel to the Monitor, the CRO and the CRO’s counsel.
3. The Applicant has scheduled a comeback hearing, returnable on August 27, 2025 (the “**Comeback Hearing**”).

4. This report (the “**Pre-Filing Report**”) has been prepared by the Proposed Monitor prior to and in contemplation of its proposed appointment as Monitor in the CCAA Proceedings, to provide information to this Court in considering the Applicant’s request for the Proposed Initial Order, as well as the relief that will be requested by the Applicant at the Comeback Hearing should the Proposed Initial Order be granted.

PURPOSE

5. The purpose of this Pre-Filing Report is to provide information to the Court on:
 - a) BDO’s familiarity and involvement with the Debtors’ business and qualifications to act as the Monitor, if appointed;
 - b) the Summit Auto Group;
 - c) the circumstances leading to the Applicant’s decision to commence CCAA Proceedings with respect to the Summit Auto Group;
 - d) the Debtors’ 13-week cash flow forecast, on a consolidated basis, for the period August 22, 2025, to November 23, 2025 (the “**Cash Flow Forecast**”) and the Proposed Monitor’s comments regarding the reasonableness thereof;
 - e) other matters relevant to the relief contemplated in the Proposed Initial Order; and
 - f) the Proposed Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

6. In preparing this Pre-Filing Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, discussions between the CRO and management of the Debtors (“**Management**”), discussions with the Applicant and information from other third-party sources (collectively, the “**Information**”). Except as described in this Pre-Filing Report in respect of the Cash Flow Forecast:
 - a) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the

Chartered Professional Accountants Canada Handbook and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- b) some of the information referred to in this Pre-Filing Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
7. Future oriented financial information referred to in this Pre-Filing Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
 8. Unless otherwise indicated, the Proposed Monitor's understanding of the factual matters expressed in this Pre-Filing Report concerning the Respondents and their business is based on the Information, and not independent factual determinations made by the Proposed Monitor.
 9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BDO'S QUALIFICATION TO ACT AS THE MONITOR

10. BDO has been actively involved with the Summit Auto Group since December 27, 2024, initially through an engagement with the Summit Auto Group (the **"Company Engagement"**) and then subsequently through an engagement with the Applicant on February 12, 2025 (the **"BMO Engagement"**). Pursuant to the BMO Engagement, BDO conducted a review of the Dealerships and delivered a memorandum of findings dated March 11, 2025 (the **"BDO Memorandum"**) summarizing results of BDO's review and observations with respect to the Debtors' liquidity, credit facility breaches, governance, and the status of the Debtor-led Sales Process (as defined herein). Through producing the BDO Memorandum, BDO developed a detailed, working understanding of the Summit Auto Group's operations and financial position. Since the delivery of the BDO Memorandum, BDO has continued to assist BMO with monitoring and analysis of the Debtors' affairs, including in connection with the Forbearance Agreements (herein defined) and the Tim Lamb Group's sales process milestones.

11. BDO is a licensed insolvency trustee within the meaning of section 2 of the BIA. BDO is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.
12. BDO has consented to act as the Monitor in the CCAA Proceedings should this Court grant the Proposed Initial Order. A copy of BDO's consent to act as Monitor is attached hereto as **Appendix "A"**.
13. The Proposed Monitor has retained Miller Thomson LLP ("**MT**") to act as its independent legal counsel in the CCAA Proceedings.
14. Should BDO be appointed as Monitor, it will be able to leverage its familiarity with Summit Auto Group to safeguard their business and maximize value for creditors on a much more expeditious and efficient basis than if it had no prior involvement or knowledge of the Respondent's affairs.

OVERVIEW OF THE SUMMIT AUTO GROUP

15. This Pre-Filing Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the "**Gil Affidavit**"), which provides additional background and financial information with respect to the Debtors. Any terms not expressly defined herein are otherwise defined in the Gil Affidavit.
16. The Summit Auto Group operates seven (7) Dealerships across the Province of Alberta ("**AB**") and the Province of British Columbia ("**BC**"), plus related Non-Operating Entities (herein defined). The Summit Auto Group operated brands are Chrysler, Dodge, Jeep, Ram (together with Chrysler, Dodge, and Jeep, "**Stellantis**"), Volkswagen, Mitsubishi, Nissan, and Ford. A detailed description of the Dealerships is set out below:
 - a) Vermilion Chrysler operates a showroom and service garage for Stellantis vehicles (Chrysler, Dodge, Jeep, and Ram) vehicles located at 4524 Railway Ave, Vermilion, AB. Vermilion Chrysler leases its premises from Real Co;
 - b) Western Sport Products operates a showroom for all-terrain vehicles, utility terrain vehicles and other sport and leisure vehicles located at 4520 Railway Ave Vermilion, AB. Western Sport Products leases its premises from 1231440 Alberta Ltd.;

- c) Castle Ford operates a showroom and service garage for Ford vehicles located at 1050 Corner Mountain Street Pincher Creek, AB. Castle Ford leases its premises from Real Co;
- d) Cranbrook Mitsubishi operates a showroom and service garage for Mitsubishi vehicles located at 2032 Cranbrook St North, Cranbrook, BC. Cranbrook Mitsubishi leases its premises from The Scott Group;
- e) Sun Valley Nissan operates a showroom and service garage for Nissan vehicles located at 2024 Cranbrook St North Cranbrook, BC. Sun Valley Nissan leases its premises from Real Co;
- f) Arrow VW operates a showroom and service garage for Volkswagen vehicles located at 2034 Cranbrook Street North, Cranbrook, BC. Arrow VW leases its premises from Real Co; and
- g) Squamish Chrysler (with Vermilion Chrysler, the “**Stellantis Dealerships**”) operates a showroom and service garage for Stellantis vehicles located at 1180 Hunter Pl, Squamish, BC. Squamish Chrysler leases the premises from Ami Tapper.

Of the Dealerships, Cranbrook Mitsubishi, Sun Valley Nissan, and Arrow VW (together, the “**Cranbrook Dealerships**”) are located adjacent to each other.

17. One additional dealership, Western Chevrolet (selling General Motors (“**GM**”) branded vehicles), financed by the Toronto Dominion Bank (the “**TD Dealership**”), is not included in this CCAA Application. BDO understands that the TD Dealership was in breach of its financial and reporting obligations to Toronto Dominion Bank (“**TD**”) as of May 16, 2024, pursuant to a default letter issued by TD Bank.
18. BDO understands that Mr. Michael Koch (“**Mr. Koch**”), acts as the principal decision-maker for the Dealerships (including the TD Dealership) and oversees day-to-day operations of the Dealerships from the Cranbrook Dealerships.
19. The Dealerships operate in provincially regulated industries and are required to maintain valid motor dealer licences and related permits in the jurisdictions in which they operate. For Vermilion Chrysler, Western Sports Products, and Castle Ford, oversight is provided by the

Alberta Motor Vehicle Industry Council (the “**AMVIC**”). For the Cranbrook Dealerships and Squamish Chrysler, oversight is provided by the Vehicle Sales Authority (the “**VSA**”). The Proposed Monitor understands that the Dealerships currently hold the necessary licences for their operations and, if appointed with enhanced powers, intends to continue operations under the existing licences, and liaise with AMVIC / VSA as needed.

20. As of the date of this Pre-Filing Report, the Proposed Monitor understands that the Dealerships employ approximately 103 individuals in total. These employees are not unionized and the Debtors do not sponsor any registered pension plans.
21. In addition to the Dealerships, the Summit Auto Group includes several non-operating entities that do not carry on active operations or have employees, including:

- a) Real Co, a real property holding company that owns, among other properties, the properties in which Arrow VW, Vermilion Chrysler, Sun Valley Nissan, and Castle Ford operate; and
- b) 197 AB, MK Auto, and 235 AB, non-operating entities that each serve as holding companies and/or corporate guarantors (together with Real Co, the “**Non-Operating Entities**”).

The Non-Operating Entities have no other business or operations and have no employees.

Ownership Structure

22. The Proposed Monitor understands that the Summit Auto Group is a closely held group of private companies primarily controlled and owned by Mr. Koch. In addition, BDO understands that:

- a) Mr. Donald Liddell, the chief financial officer of the Summit Auto Group (the “**CFO**” or “**Mr. Liddell**”) has a minority direct beneficial interest in Arrow VW, Cranbrook Mitsubishi, Sun Valley Nissan, and Vermilion Chrysler; and
- b) Mr. Adam Mounzer (“**Mr. Mounzer**”) has a minority ownership in Castle Ford, though BDO is uncertain on how the ownership structure is set up. Mr. Mounzer also owns 100% of 197 AB, which is a guarantor for Squamish Chrysler and holds preferred shares in Squamish Chrysler.

23. Overall, the direct and beneficial interests in the Dealerships based on BDO's understanding is summarized as follows:

Dealership	Mr. Koch	Mr. Liddell	Mr. Mounzer
Arrow VW	80%	20%	0%
Cranbrook Mitsubishi	80%	20%	0%
Sun Valley Nissan	80%	20%	0%
Vermilion Chrysler	80%	20%	0%
Western Sport Products	80%	20%	0%
Castle Ford	65%	0%	35%
Squamish Chrysler	60%	0%	40%

Governance

24. As previously noted, BDO understands that day-to-day operational decisions for the Dealerships are concentrated with Mr. Koch (through various general managers (“GM(s)”) at the respective dealerships), and the Debtors’ financial functions are largely decentralized through Mr. Liddell, and various controllers. Financial oversight does not consolidate to a single finance lead, resulting in a fragmented reporting structure.
25. During the BMO Engagement, BDO observed significant operational governance deficiencies arising from this decentralized management approach. The lack of clear operational and financial reporting structure significantly impacted Management’s decision-making and cash-flow management, which resulted in an overall lack of financial accountability.
26. To date, BDO has had limited visibility into Squamish Chrysler, as a significant amount of reporting required under the Squamish Forbearance Agreement (herein defined) has not been delivered, including the fiscal year end 2024 financial statements which still have not be finalized. BDO understands that Squamish Chrysler’s records are significantly out of date, and regulatory filings with the Canada Revenue Agency (“CRA”) including 2023 and 2024 corporate income taxes and excise tax filings/remittances remain outstanding. As such, BDO believes there may be outstanding statutory remittances/deemed trusts amounts owing to the CRA.
27. The Debtors do not operate any other lines of business and do not have any foreign operations.

Current Financial Position

28. On a cumulative basis, the Debtors as of August 12, 2025, owe BMO in excess of \$58 million net of accrued costs and interests. The Debtors are currently insolvent, with \$9.4 million of SIV (herein defined) balance and operational losses expected to continue, the Debtors' financial positions are likely to worsen. Absent the CCAA Proceedings, the Debtors will not be able to meet their current financial obligations without incurring further SIVs. Based on the financial information available to the Proposed Monitor, the Dealerships have been operating at a loss since 2023. Using fiscal year ("FY") 2023 financial statements of the Dealerships, the Proposed Monitor noted a combined net loss of approximately \$448,249 in FY 2023.
29. Though FY 2024 financial statements of the Dealerships have not been finalized and provided to the Proposed Monitor, the Proposed Monitor understands that losses have worsened in FY2024. Using dealer statements, the Proposed Monitor, with the help of the CRO, has produced the Dealerships' net operating loss summary for the period January 1, 2025 to May 31, 2025 ("YTD May 2025"):

Combined Net Operating Losses for the Period January 1, 2025 to May 31, 2025	
Gross Margin	
New Vehicles	1,880,200
Used Vehicles	1,421,219
Finance Department	161,281
Service Department	987,774
Sales Department	683,765
Total Gross Margin	5,134,239
Less: Expenses	(6,214,344)
Net Operating Loss	(1,080,105)

30. For YTD May 2025, net operating loss for all Dealerships is approximately \$1,080,105. The loss does not include debt servicing related expenses, Real Co expenses, and other Non-Operating Entities' expenses. Given the Companies' books and records are not up to date, the Proposed Monitor believes this figure is significantly understated.
31. A copy of the most recent consolidated financial statements available for the applicable Dealerships is attached as **Appendix "B"**.

CIRCUMSTANCES LEADING TO THE APPLICANT'S CCAA FILING

32. In 2024, the Debtors faced mounting liquidity pressure driven by high interest costs, heavy curtailments on slow-moving inventory (particularly at the Stellantis dealerships), and multiple

operational deficiencies. As of late 2024, with several of the Dealerships at or near their facility limits, the Debtors faced significant liquidity constraints and were in breach of certain covenants under their credit facilities provided by BMO. As a result, the Debtors circumvented the terms of their credit facilities by carrying out numerous sold-in-violation (“**SIV(s)**”) transactions. A SIV arises when a floorplan-financed vehicle is sold and the dealership fails to remit sale proceeds to the floorplan lender within the required time, which circumvents the financing agreements. This practice began in late 2024 and continued into 2025 as liquidity tightened. Floor-plan lenders provide this form of inexpensive financing because of the associated collateral (vehicle) in support of these advances and the original equipment manufacturers’ (“**OEM(s)**”) new vehicle buy-back program available to the lender. When SIVs occur, the floor-line facility now lacks the associated collateral in support of the loans and the respective vehicle sale proceeds have been used to artificially create liquidity for the dealership to fund operating activities.

33. As a result, BDO was engaged by the Companies on December 27, 2024, to provide consulting services. The Company Engagement contemplated, among other things, a review of the Companies’ financial position and performance and assessment of the Companies’ sales efforts. During the Company Engagement, BDO was made aware that a sales process led by Management (the “**Debtor-led Sales Process**”) was already in progress. This process was poorly executed and lacked the transparency/oversight necessary to make BMO comfortable that a sales transaction(s) was advancing and/or could be completed. Ultimately this Debtor-led Sales Process did not result in any material progress.
34. By February 2025, BMO transferred the file to its special accounts management unit (“**SAMU**”) for intensive monitoring, as the Debtor-led Sales Process did not have material progress and total SIVs increased across the Dealerships. BDO was subsequently engaged by BMO, to assess its strategic options. The BMO Engagement included, among other things, assessment of the Dealerships’ financial position, floor line analysis, vehicle inventory reviews, treasury function reviews, review of vehicle audit results, and a review of the Debtor-led Sales Process.
35. Pursuant to the BMO Engagement, BDO conducted a review of the Dealerships and delivered a summary of findings to BMO with respect to liquidity, credit facility breaches, governance,

and the status of the Debtor-led Sales Process. The BDO Memorandum, attached hereto as **Appendix “C”**, highlighted, among other things:

- a) a severe liquidity crisis as a result of operational cash burn;
- b) approximately \$6.4 million of SIVs;
- c) the Companies’ weak internal controls and lack of managerial oversight, and reporting structure; and
- d) that the Debtor-led Sales Process that had not materially progressed.

36. As a result of the facts set out in paragraph 35, the Debtors:

- a) engaged Tim Lamb Group as the sales agent of the Omnibus Dealerships (“**Tim Lamb**” or the “**Sales Agent**”) and;
- b) entered into two (2) forbearance agreements with BMO (collectively, the “**Forbearance Agreements**”):
 - (i) a forbearance agreement dated May 29, 2025 (the “**Omnibus Forbearance Agreement**”) between BMO and the Omnibus Debtors, attached hereto as **Appendix “D”**; and
 - (ii) a forbearance agreement dated June 9, 2025 (the “**Squamish Forbearance Agreement**”) between BMO and the Squamish Debtors, attached hereto as **Appendix “E”**.

37. The Forbearance Agreements prohibited further SIVs, embedded an automatic consent CCAA Order (as defined in the Forbearance Agreements) mechanism upon a Termination Event (as defined in the Forbearance Agreements), and formalized a sales process timeline with closing milestones which the Sales Agent had to periodically report on. The Forbearance Agreements also gave BMO a right to request a CRO.

38. Following multiple breaches of the Forbearance Agreements and Termination Events, BMO requested that a CRO be put in place, which led to the Omnibus Debtors retaining Full Circle as its CRO at the end of July 2025.

39. Since appointment, Full Circle’s updates to BMO confirmed the Debtors’ continuing financial deterioration, with SIVs continued to increase, and reaching approximately \$9.4 million per

BMO's audit result as of August 13, 2025 (an increase of approximately \$3 million after the Forbearance Agreements were signed). Further, the CRO uncovered significant financial irregularities including that the Omnibus Dealerships wholesaled vehicles for approximately \$1.4 million below market value from March 1, 2025, to August 8, 2025, including \$120,000 of losses on August 8, 2025, alone. Other financial irregularities included purchasing vehicles from these same vehicle wholesalers at inflated prices.

40. Given the continued breaches under the Forbearance Agreements, the rapid increase in SIVs to approximately \$9.4 million as of August 13, 2025, and the CRO's recently disclosed financial irregularities, the Proposed Monitor believes further erosion to BMO's collateral value will occur absent the timely CCAA Proceedings.
41. The Forbearance Agreements, provided for a court-supervised framework via Consent CCAA Order, including enhanced powers for the Monitor to execute and close transactions to stabilize operations and preserve value for the Debtors' stakeholders.
42. The Applicant has determined that the status quo is not sustainable. The Applicant requires more insight into the operational issues facing the Debtors and a clear path towards going-concern sales of the Dealerships through the Companies' sales process currently being run by the Sales Agent and/or a Court approved sale process if required. For this reason, BDO understands that commencement of these CCAA Proceedings with BDO being appointed as Monitor with expanded powers as set out in the proposed Initial Order is a necessary precondition before BMO will provide any further funding to the Companies. At this time, the Applicant is only prepared to fund such critical amounts needed to preserve the business until the Proposed Initial Order is granted.

OVERVIEW OF THE DEBTORS' 13-WEEK CASH FLOW

43. The CRO, with the assistance of BDO, prepared the Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the "**Cash Flow Period**") for the purposes of projecting the Debtors' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached hereto as **Appendix "F"**.
44. The Cash Flow Forecast is presented on a weekly basis and represents the CRO's estimates of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been

prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Cash Flow Forecast.

45. The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Proposed Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors. Based on the Proposed Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a) the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this Pre-Filing Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the Assumptions.

46. The Proposed Monitor notes that the Cash Flow Forecast has been prepared solely for the purpose described in paragraph 43 and since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

47. The Cash Flow Forecast shows that during the initial 10-day Stay Period (as defined herein) the Debtors will experience a net cash outflow of approximately \$454,565 and that during the Cash Flow Period, this amount will increase to \$3,415,024. The Cash Flow Forecast projects that during the Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor’s Borrowing Certificates. As detailed below, the Proposed Monitor believes that the amount on the Monitor’s Borrowing Certificates and Monitor’s Borrowing Charge (herein defined) is appropriate and necessary given the Cash Flow Forecast and is limited to the amounts reasonably necessary.

RELIEF SOUGHT BY THE APPLICANT

48. The Proposed Initial Order seeks, among other things, a stay of proceedings the granting of various Court-ordered charges, and other relief to stabilize and protect the Debtors’ businesses

pending the Comeback Hearing, with a view to ultimately pursuing several dealership sales transactions to maximum enterprise value.

49. The Proposed Monitor understands that the majority of the Summit Auto Group's entities are incorporated in Alberta. Including the TD Dealership, there are 4 dealerships located in Alberta, and 4 located in British Columbia. In addition, the Debtors' counsel, based in Alberta, requested that any CCAA proceeding occur in Alberta to avoid the Debtors needing to retain B.C. counsel at an additional expense. The Proposed Monitor believes this request is reasonable and is supportive of the CCAA Proceedings and within application being brought in Alberta.

Initial Stay of Proceedings

50. The Applicant seeks a stay of proceedings for the Debtors for an initial period through and including September 1, 2025 (the "**Stay Period**"), which will allow the Monitor and the CRO to stabilize the operations of the Summit Auto Group, preserve the asset base and work with the Sales Agent to assess the Debtors' current sales process (determine which sales transaction(s) are in their final stages of closing requiring only Court approval to complete and/or create a Court approved sales process for those dealerships without an advanced purchase and sale offer, etc.).
51. The Proposed Monitor is of the view that the Stay Period is appropriate in the circumstances and is necessary to maintain operations through funding from the Applicant which, in turn, will allow the Applicant, the Monitor, and the CRO to achieve an efficient transition of control over the business to the CRO, under the Monitor's oversight.

Appointment of BDO as the Monitor with Expanded Powers

52. The Applicant is requesting that the Court appoint BDO as Monitor of the Debtors in these CCAA Proceedings, and that the Court grant the Monitor enhanced powers. These enhanced powers are intended to support the orderly administration of the Debtors' business and affairs with a view to preserving the businesses and maximizing value for the benefit of the Summit Auto Group's stakeholders.
53. The enhanced powers of the Monitor are described in the Proposed Initial Order and include the authority to, among other things:

- a) take actions and steps to manage, operate, and carry on the businesses of the Summit Auto Group, including authority to enter contractual arrangements on behalf of the Debtors;
 - b) continue any current engagement with the Summit Auto Group's current Sales Agent or alternatively terminate the current Sales Agent agreement and engage a new sales agent, for and on behalf of the Summit Auto Group;
 - c) continue the Debtors engagement with Full Circle as CRO within these CCAA Proceedings or amend the engagement with Full Circle as necessary, including to add Squamish Chrysler under its engagement;
 - d) take possession of, preserve, protect, and exercise control over the property of the Summit Auto Group including the Debtors' bank accounts;
 - e) report to, meet, discuss, and share information with affected persons on all matters relating to the Summit Auto Group's businesses and property;
 - f) oversee and direct the preparation and dissemination of financial and other information of the Summit Auto Group, including cash flow statements;
 - g) proceed to continue negotiations for the sale of the Dealerships; and
 - h) market and sell the assets of the Summit Auto Group;
54. The enhanced powers will allow the Monitor to facilitate the safeguarding of the businesses and the continuation of the CCAA Proceedings in a cost effective and efficient manner pending the Comeback Hearing at which point it is expected that the Applicant will seek to further expand the Monitor's powers.
55. Accordingly, the Proposed Monitor is of the view that granting the enhanced powers is imperative in the circumstances and consents to the enhanced powers if so, ordered by the Court.

CRO Engagement

56. Led by Mr. Lionel Robins, Full Circle is a consulting firm that specializes in automotive dealerships. It has the experience and capability to operate dealerships and has a strong reputation in the marketplace.

57. Full Circle was retained as financial advisor and CRO to the Omnibus Debtors at the end of July 2025 pursuant the engagement letter between the CRO and the Omnibus Debtors (the “**CRO Engagement Agreement**”). Under the CRO Engagement Agreement, the CRO has reviewed and assisted in the preparation of the Cash Flow Forecast and has provided reporting to BDO and BMO. The CRO also assisted the Omnibus Debtors with the preparation of information pursuant to the terms of the Omnibus Forbearance Agreement. Full Circle has firm knowledge and understanding of the Summit Auto Group, other than Squamish Chrysler, but advised BDO it can quickly get up to speed and take over operations of Squamish Chrysler given its background knowledge of the other Dealerships and how they are currently being operated.
58. As part of the Proposed Initial Order, the Applicant seeks the appointment of Full Circle as CRO in respect of Squamish Chrysler within the CCAA Proceedings. Upon the granting of the Proposed Initial Order, the Monitor will execute an amended CRO engagement agreement with Full Circle which, among other things, will be expanded to include Squamish Chrysler (the “**Amended CRO Engagement Agreement**”). A copy of the Amended CRO Engagement Agreement is attached hereto as **Appendix “G”**.
59. BDO is supportive of a continued engagement and expanded role of the CRO who will be instrumental in replacing the role of Mr. Koch in an effective and cost-efficient manner.

Monitor’s Borrowing Charge

60. In the Proposed Initial Order, the Applicant seeks the approval of a Monitor’s borrowing certificate mechanism akin to a borrowing certificate within a receivership proceeding. This will allow BDO as the Monitor (if appointed) to borrow up to a maximum principal amount of \$500,000 during the Initial Stay Period (the “**Initial Maximum Amount**”), with an increase to such authorized borrowings to \$3,500,000 following the Comeback Hearing, directly from BMO through the issuance of Monitor’s Borrowing Certificates to fund the Dealerships’ operations in accordance with the Cash Flow Forecast. Further, the Proposed Initial Order seeks the granting of a Monitor’s Borrowing Charge (the “**Monitor’s Borrowing Charge**”) up to the Initial Maximum Amount.
61. The Proposed Monitor believes that the Initial Maximum Amount and Monitor’s Borrowing Charge is appropriate and necessary to fund operations as detailed in the Cash Flow Forecast.

The Proposed Monitor believes the amounts are limited to the amounts reasonably necessary for the Initial Stay Period.

Administration Charges

62. The Proposed Initial Order provides for a charge up to a maximum amount of \$350,000 (the “**Administration Charge**”) in favour of counsel to the Applicant, the Monitor and its independent counsel, the CRO, and the CRO’s counsel. Professional fee obligations secured by the Administration Charge are proposed to be paid in the ordinary course in accordance with the Cash Flow Forecast.
63. The Proposed Monitor is of the view that given the current liquidity constraints of the Applicants, the proposed Administration Charge is required. The Proposed Monitor is of the view that the Administration Charge is necessary for the effective participation of the professionals in the CCAA Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.
64. The Proposed Monitor understands that should the Proposed Initial Order be granted, the Applicant intends to request that the Administration Charge be increased to a maximum of \$750,000 at the Comeback Hearing.

Director’s Charge

65. The Proposed Initial Order provides for a director’s charge up to a maximum amount of \$250,000 (the “**Director’s Charge**”), subordinated to the Administration Charge and Monitor’s Borrowing Charge. The Proposed Monitor is supportive of the Director’s Charge, as the Monitor may require certain transitional assistance from Mr. Koch as a director of the Debtors.

SALES AGENT ENGAGEMENT

Sales Agent Update

66. As of the date of this Pre-Filing Report, all Omnibus Dealerships have received either letters of intent (“**LOI(s)**”), draft asset purchase agreements (“**APA(s)**”), or draft share purchase agreements (“**SPA(s)**”). Near-term milestones summarized as follows:

- a) Sun Valley Nissan: APA in near-final form;
- b) Arrow VW: LOI just received;
- c) Vermilion Chrysler: SPA finalized in circulation for execution;
- d) Castle Ford: OEM is supportive with a December 1, 2025, target closing;
- e) Western Sport Products: transaction expected to conclude by month-end; and
- f) Cranbrook Mitsubishi: OEM application in process (timing dependent on purchaser availability).

67. Squamish Chrysler has not been a part of the Sales Agent's process, instead, it is run by Mr. Koch and Mr. Mounzer. BDO understands, through discussions with the Sales Agent, that Squamish Chrysler's purchase has been approved by the OEM, and that a closing date is set for September 3, 2025.

Monitor's Oversight and Next Steps with regards to the current Sales Process

68. If appointed, the Monitor intends to work with the Sales Agent to assess the adequacy of the Debtor-led Sales Process. The Monitor's objective is to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals. If the existing process or offers prove insufficient or face significant delays, or if the Monitor believes sales efforts have been inadequate, the Monitor will return to Court to seek approval of a sale investment and solicitation process with defined bid procedures, standard forms of APA, and clear milestones. The Monitor also intends to amend the existing Sales Agent agreement to include Squamish Chrysler should that deal not close.

69. Per initial estimates of the Sales Agent and CRO, it is anticipated that sale proceeds from the respective sales transactions will be insufficient to repay BMO, given the significant and on-going operating losses; losses created by the financial irregularities; the significant \$9.4 million SIV balance, and delinquent/delayed financials records making due diligence more challenging. As such, the Proposed Monitor believes that BMO is fulcrum creditor with regards to the Debtors and is supportive of the CCAA Proceedings.

CONCLUSION AND RECOMMENDATION

70. The Proposed Monitor has reviewed the Applicant's CCAA Application materials and has consented to act as the Monitor of the Debtors, should this Court grant the Proposed Initial Order.
71. For the reasons stated herein, the Proposed Monitor is of the view that the relief requested by the Applicant as set forth in the Proposed Initial Order is necessary, reasonable, and justified and will provide the Summit Auto Group the best opportunity to preserve value and maximize recoveries for their stakeholders.
72. The Proposed Monitor is therefore supportive of the Applicant's request for relief pursuant to the CCAA and the terms of the Proposed Initial Order.

**BDO CANADA LIMITED, in its capacity
as Proposed Monitor of the Summit Auto Group, and
not in its corporate or personal capacity.**

Per:

A handwritten signature in black ink, appearing to read "Clark Lonergan". The signature is fluid and cursive, with the first name "Clark" and last name "Lonergan" clearly distinguishable.

**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Appendix “B” – First Report of the Monitor dated August 27, 2025 (without appendices)



COURT FILE NUMBER	2501-13057
COURT	COURT OF KING'S BENCH ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36, as amended AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.
APPLICANT	BANK OF MONTREAL
RESPONDENTS	2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.
DOCUMENT	FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS THE MONITOR
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>MONITOR</u> BDO CANADA LIMITED 20 Wellington Street E, Suite 500 Toronto, Ontario M5E 1C3 Attention: Clark Lonergan Telephone: 416.865.0210 Fax: 416.865.0904 E-mail: clonergan@bdo.ca <u>COUNSEL</u> MILLER THOMSON LLP Eighth Avenue Place East 43rd Floor, 525 8th Avenue S.W. Attention: James W. Reid/Monica Faheim/Pavin Takhar Telephone: 403.298.2418 / 416.597.6087/403.298.2432 E-mail: jwreid@millerthomson.com mfaheim@millerthomson.com ptakhar@millerthomson.com

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LIST OF APPENDICES

- A. MONITOR’S PRE-FILING REPORT (W/O APPENDICES)**
- B. CASH FLOW FORECAST FOR THE PERIOD AUGUST 22, 2025 TO
NOVEMBER 22, 2025**

INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon application (the “**CCAA Application**”) by the Bank of Montreal (“**BMO**” or the “**Applicant**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Honourable Justice M. A Marion of the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. BDO, as proposed monitor, prepared a pre-filing report dated August 20, 2025 (the “**Pre-Filing Report**”) attached (without appendices) as **Appendix “A”** hereto to provide information to the Court for its consideration in respect of the CCAA Application.
3. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Initial Order or the Pre-Filing Report.
4. Among other things, pursuant to the Initial Order the Court granted:
 - a. an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Debtors’ current sales process to ultimately preserve the business as a going concern and maximizing value;

- b. the appointment of the Monitor and expanded powers of the Monitor during the CCAA proceedings (the **“CCAA Proceedings”**);
 - c. the appointment of the chief restructuring officer (**“CRO”**), Full Circle Automotive Solutions Inc. (**“Full Circle”** or the CRO) over the Debtors (inclusive of Squamish Chrysler);
 - d. charge over the Debtors’ property (the **“Property”**) to stand as security for payment by the Companies of the professional fees and disbursements of the Applicant’s legal counsel, the Monitor and its independent legal counsel, the CRO, and the CRO’s counsel, in an aggregate amount not to exceed \$350,000 (the **“Administration Charge”**);
 - e. the power for the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors’ operations during the CCAA Proceedings and a charge over the Property to stand as security (the **“Monitor’s Borrowing Charge”**); and
 - f. a charge over the Property to stand as security for the Debtors’ obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the **“Director’s Charge”**).
5. The Initial Order contemplates a comeback application to be heard on August 27, 2025 (the **“Comeback Hearing”**) at which time the Applicant is seeking an Amended and Restated Initial Order (the **“ARIO”**).

PURPOSE

6. The purpose of this first report of the Monitor (the **“First Report”**) is to provide information to the Court with respect to:
- a. the activities of the Monitor since the Filing Date;
 - b. the ARIO sought by the Applicant, including, among other things the following relief:
 - i. extending the Stay of Proceedings until and including September 26, 2025;

- ii. approving an increase to the Administration charge up to the maximum amount of \$750,000;
 - iii. approving an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, cost and fees); and
 - iv. such further and other relief as the Court may deem just and equitable. and
- c. the Monitor's comments and recommendations with respect to:
- i. the Debtors' 13-week cash flow forecast, on a consolidated basis, for the period August 22, 2025, to November 23, 2025 (the "**Cash Flow Forecast**");
 - ii. BMO's pre-filing credit facilities, the ongoing operation of the Floorplan Credit Facilities (as defined below), the results of a review of BMO's pre-filing security and ongoing paydowns of BMO's Indebtedness (as defined below); and
 - iii. the reasonableness of the amounts and relative priority of the Monitor's Borrowing Charge, Administration Charge, and Director's Charge (collectively, the "**Court Ordered Charges**").
7. The Initial Order and all other materials filed with the Court in these CCAA Proceedings are accessible on the Monitor's website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/Summit-Automotive-Group> (the "**Monitor's Website**").

TERMS OF REFERENCE

8. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the affidavit of John Gil sworn August 15, 2025 (the "**Gil Affidavit**"), discussions between the CRO and management of the Debtors ("**Management**"), discussions with the Applicant and information from other third-party sources (collectively, the "**Information**"). Except as described in this First Report in respect of the Cash Flow Forecast:

- a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b. some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
9. Future oriented financial information referred to in this First Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
10. Unless otherwise indicated, the Monitor’s understanding of the factual matters expressed in this First Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND INFORMATION.

12. This First Report should be read in conjunction with the Gil Affidavit and the Pre-Filing Report, which can be found on the Monitor’s Website and contain background information with respect to the Companies’ business and operations as well as matters leading up to the commencement of these CCAA Proceedings.

INITIAL ACTIVITIES OF THE MONITOR

13. Since the commencement of these CCAA Proceedings, the Monitor has:

- a. established the Monitor's Website;
- b. undertaken the necessary steps to prepare a notice containing information regarding the CCAA Proceedings (the "**Notice to Creditors**"), based on the contact information of known creditors with claims against the Companies in excess of \$1,000, as provided by the Companies. A copy of the Notice to Creditors will be posted on the Monitor's website once it has been mailed;
- c. met with former ownership regarding the CCAA Proceedings, terminated their employment and prepared term and task letters for them to assist the Monitor and CRO with potential transition items;
- d. notified each of the original equipment manufacturers ("**OEM(s)**") of the CCAA Proceedings, including having initial discussions with a number of them regarding the same;
- e. notified each of the Companies' landlords (as applicable) of the CCAA Proceedings;
- f. filed the statutory Forms 1 and 2 containing certain prescribed information regarding the proceedings with the Office of the Superintendent of Bankruptcy;
- g. reviewed the terms of the Initial Order with Management as they relate to the administration of pre-filing and post-filing payment obligations;
- h. completed an inventory count of the Companies new and used at certain of the Companies' dealership assets;
- i. assisted the Companies with stakeholder communications;
- j. engaged in discussions with representatives of the Tim Lamb Group ("**Tim Lamb**" or the "**Sales Agent**"), who were the Companies' sales agent with regards to the majority of dealership assets currently for sale (the "**Debtor-led Sales Process**") including but not limited to, the status of any letters of intent ("**LOI(s)**") and/or asset purchase agreements ("**APA(s)**") received to date and any remaining due diligence requirements of the prospective purchasers (the "**Prospective Purchasers**");

- k. engaged in discussions with various Prospective Purchasers and/or their respective counsels regarding the CCAA Proceedings and potential next steps;
- l. engaged in discussions with the Toronto Dominion Bank (“**TD**”) with regards to the TD financed dealership, Western Chevrolet;
- m. responded to correspondence received from creditors and other parties with respect to the CCAA Proceedings;
- n. participated in various discussions with the Companies and the CRO regarding operations, treasury functions and key stakeholders;
- o. engaged in various discussions with the Applicant’s counsel and the Monitor’s counsel with regards to the CCAA Proceedings; and
- p. created a weekly monitoring protocol with the Companies and the CRO to allow the Monitor to review and report on the Companies’ weekly cash receipts and disbursements.

CASH FLOW FORECAST

- 14. The CRO, with the assistance of Proposed Monitor, prepared the Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the “**Cash Flow Period**”) for the purposes of projecting the Debtors’ estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached hereto as **Appendix “B”**.
- 15. The Cash Flow Forecast is presented on a weekly basis and represents the CRO’s estimates of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Cash Flow Forecast.
- 16. The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Proposed Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors. Based on the Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a. the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - b. as at the date of this First Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
 - c. the Cash Flow Forecast does not reflect the Assumptions.
17. The Monitor notes that the Cash Flow Forecast has been prepared solely for the purpose described above and since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.
18. The Cash Flow Forecast shows that during the Cash Flow Period; the Debtors will experience a new cash outflow of approximately \$3,415,024. The Cash Flow Forecast projects that during the Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor's Borrowing Certificates. As detailed below, the Monitor believes that the amount on the Monitor's Borrowing Certificates and Monitor's Borrowing Charge is appropriate and necessary given the Cash Flow Forecast and is limited to the amounts reasonably necessary.

COURT-ORDERED CHARGES

19. The Initial Order granted an Administration Charge up to a maximum amount of \$350,000, a Monitor's Borrowing Charge up to a maximum amount of \$500,000 and a Director's Charge up to a maximum amount of \$250,000.

Administration Charge

20. The Applicant is seeking to increase the maximum amount secured by the Administration Charge to a maximum amount of \$750,000.
21. The Monitor is of the view that the increased quantum of the Administration Charge is necessary and appropriate for the reasons set out in the Pre-Filing Report.

Monitor's Borrowing Charge

22. In the proposed ARIO, the Applicant is seeking to increase the maximum amount secured by the Monitor's Borrowing Charge to \$3,500,000, plus interest, costs and fees to ensure that the maximum amount as outlined in the Cash Flow Forecast is made available to fund the Debtors' operations.
23. The Cash Flow Forecast illustrates that the Debtors have a critical and immediate need for interim financing. Without access to the \$3,500,000 in advances that are made available pursuant to the Monitor's Borrowing Certificate, the Debtors will be unable to continue operations during the Cash Flow Period as:
- a. the Debtors have payroll periods following the Comeback Hearing, together with other overhead operating expenses (including insurance, utilities and technology costs) all of which are critical to their operations, which they cannot presently fund without BMO's support; and
 - b. the professionals associated with the CCAA Proceedings have accrued and will accrue fees and disbursements and need assurance that their fees and disbursements will be paid during the CCAA Proceedings.
24. The Monitor's Borrowing Charge ranks subordinate to the Administration Charge, but ahead of the Director's Charge.
25. The requested increase to the Monitor's Borrowing Charge is a condition to advances continuing to be made available pursuant to the Monitor's Borrowing Certificate. As such, the Monitor is of the view that such increase is appropriate in the circumstances to maintain the Debtors' business in the normal course and to fund these CCAA Proceedings.

BMO CREDIT FACILITIES, SECURITY REVIEW AND POST-FILING PAYMENTS OF BMO INDEBTEDNESS

Credit Facilities and Security Review

26. As described in greater detail in the Gil Affidavit, the Summit Auto Group have a number of pre-filing secured credit facilities with BMO (collectively, the **"Pre-Filing Credit Facilities"**), including certain floor plan facilities pursuant to which BMO finances the acquisition of new and used vehicles (the **"Floorplan Credit Facilities"**).

27. The Monitor has requested an independent legal opinion from its legal counsel, Miller Thomson LLP to determine the validity and enforceability of the security granted by the Summit Auto Group to BMO associated with the Pre-Filing Credit Facilities (the “**Security Opinion**”).
28. As of August 12, 2025, BMO was owed in excess of \$58 million under the Pre-Filing Credit Facilities (together with applicable interest, fees and expenses, the “**Indebtedness**”).

Floorplan Credit Facilities

29. In order for the Summit Auto Group to continue to operate as a going concern and purchase new or used vehicles in the ordinary course, it is necessary that the Summit Auto Group continue to have access to the Floorplan Credit Facilities, which BMO is prepared to permit, provided that (i) as a condition precedent to advances being made available after the Comeback Hearing, all vehicles sold by the Debtors have had the amount financed through the Floorplan Credit Facilities repaid pursuant to the terms thereof, and (ii) the Debtors shall conduct all business and operations in compliance with the Cash Flow Forecast.
30. The Cash Flow Forecast, which has been approved by BMO, contemplates certain paydowns of the Indebtedness, including (i) payment of interest under the Floorplan Credit Facilities, and (ii) paydown of the Floorplan Credit Facilities upon the sale of vehicles financed thereunder. The Cash Flow Forecast does not contemplate any other paydowns of the Indebtedness.
31. The Monitor has considered the types of claims and potential claims that would or could rank in priority to BMO’s security. As set out below, the Monitor is of the view that there are no amounts owing which are payable in priority to BMO, pending confirmation that BMO’s security is valid and enforceable (“**Positive Security Opinion Results**”), or which could not otherwise be addressed pursuant to the Cash Flow Forecast.
32. Pursuant to and in accordance with the terms of the Initial Order, the Company has paid all pre-filing and post-filing employee wages, source deductions, withholding taxes, and employee contributions as required. As at the date of this First Report, the Monitor is not aware that any of these amounts are owing by the Companies or that any claims have been asserted against the Companies that remain unpaid. To the extent the Monitor becomes aware of any of these amounts, they will be remitted as required.

33. Accordingly, the Monitor requests authority from the Court to make payments to BMO under the Floorplan Credit Facilities, pending Positive Security Option Results, in accordance with Cash Flow Forecast.

ONGOING DEBTOR-LED SALES PROCESS

34. The Monitor continues to work with the Sales Agent to assess the adequacy of the Debtor-led Sales Process. The Monitor's objective is to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals. If the existing process or offers prove insufficient or face significant delays, or if the Monitor believes sales efforts have been inadequate, the Monitor will return to Court to seek approval of a sale investment and solicitation process with defined bid procedures, standard forms of APA, and clear milestones.

CONCLUSION

35. For the reasons set out above, the Monitor is of the view that the relief sought by the Applicant at the Comeback Hearing is reasonable and respectfully recommends that the relief sought by the Applicant be granted.

All of which is respectfully submitted this 27th day of August 2025.

**BDO CANADA LIMITED, in its capacity
as Monitor of the Summit Auto Group, and
not in its corporate or personal capacity.**

Per:



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

**Appendix “C” –Second Report of the Monitor dated September 10, 2025 (without
appendices)**

COURT FILE NUMBER	2501 - 13057
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36, as amended AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.
APPLICANT	BANK OF MONTREAL
RESPONDENTS	2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.
DOCUMENT	SECOND REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS THE MONITOR
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>MONITOR</u> BDO CANADA LIMITED 20 Wellington Street E, Suite 500 Toronto, Ontario M5E 1C3 Attention: Clark Lonergan Telephone: 416.865.0210 Fax: 416.865.0904 E-mail: clonergan@bdo.ca <u>COUNSEL:</u> MILLER THOMSON LLP Eighth Avenue Place East 43 rd Floor, 525 8 th Avenue S.W. Attention: James W. Reid/Monica Faheim/Pavin Takhar Telephone: 403.298.2418 / 416.597.6087/403-298-2432 E-mail: jwreid@millerthomson.com mfaheim@millerthomson.com ptakhar@millerthomson.com

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LIST OF APPENDICES

Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without appendices)

Appendix “B” – First Report of the Monitor dated August 27, 2025 (without appendices)

Appendix “C” – Cash Flow Forecast for the Period August 22, 2025, to November 23, 2025

Appendix “D” – Cash Flow Variance for the Period August 22, 2025, to September 5, 2025

Appendix “E” – Proposed Sale and Investment Solicitation Process

Appendix “F” – CRO’s Report dated September 9, 2025

Appendix “G” – Professional Fees Schedule

INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon application (the “**CCAA Application**”) by the Bank of Montreal (“**BMO**” or the “**Applicant**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Honourable Justice M. A. Marion of the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court granted:
 - a) an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations, permit the Monitor to assess the Debtors’ pre-filing sales process, and to ultimately preserve the business as a going concern and maximizing value;
 - b) the appointment of the Monitor and expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
 - c) the appointment of the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. (“**Full Circle**” or the CRO) over the Debtors (inclusive of Squamish Chrysler);

- d) a charge over the Debtors' property (the "**Property**") to stand as security for payment by the Companies of the professional fees and disbursements of the Applicant's legal counsel, the Monitor and its independent legal counsel, the CRO, and the CRO's counsel (if any), in an aggregate amount not to exceed \$350,000 (the "**Administration Charge**");
 - e) the power for the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors' operations during the CCAA Proceedings and a charge over the Property to stand as security (the "**Monitor's Borrowing Charge**"); and
 - f) a charge over the Property to stand as security for the Debtors' obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Court Ordered Charges**").
3. The Initial Order contemplated a comeback application on August 27, 2025 (the "**Comeback Hearing**").
 4. At the Comeback Hearing, the Court granted an amended and restated initial order (the "**ARIO**"). Amongst other things, the ARIO:
 - a) extended the Stay of Proceedings until and including September 26, 2025;
 - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
 - c) approved an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
 - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO's security; and
 - e) reaffirmed the Monitor's authority to manage and operate the Companies' businesses and oversee sales efforts through its expanded powers.

5. To date, the Monitor has provided the Court with the following reports:

- a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the “**Pre-Filing Report**”) in connection with the Applicant’s application for protection under the CCAA. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**; and
- b) the First Report of the Monitor filed August 27, 2025 (the “**First Report**”) in connection with BMO’s application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**.

PURPOSE

6. The purpose of this second report of the Monitor (the “**Second Report**”) is to provide information to the Court with respect to:

- a) the activities of the Monitor since the First Report;
- b) the Debtors’ actual cash flow results for the 2-week period ended September 5, 2025, versus the budgeted results for that period, as outlined in the Debtors’ 13-week consolidated cash flow from August 22, 2025, to the week ended November 23, 2025 (the “**Cash Flow Forecast**”);
- c) the Monitor’s application to the Court returnable on September 19, 2025 (the “**Monitor’s Application**”), seeking the following:
 - (i) an order (the “**Stay Extension Order**”) to, among other things:
 - I. extend the Stay of Proceedings up to and including November 21, 2025, as supported by the Cash Flow Forecast;
 - II. approve the activities of the Monitor to date;
 - III. approve the accounts of the Monitor and its counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date;

IV. confirm that the Court Ordered Charges apply against the following Personal Property Registry parties (collectively, the **“PPR Registrants”**):

- a) GE Canada Equipment;
- b) Canadian Imperial Bank of Commerce;
- c) Pattison Sign Group; and
- d) Wells Fargo Equipment Finance Company; and

V. grant the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor to conduct investigations, compel production of records relating to the Companies or their businesses, and to compel examinations under oath of any person reasonably thought to have knowledge relating to the Companies or their business (**“Investigative Powers”**); and

(ii) an order (the **“SISP Approval Order”**) to, among other things:

- I. approve a proposed sale and investment solicitation process (the **“Proposed SISP”**); and
- II. approve the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the **“Sales Agent”** or **“Tim Lamb”**) to administer and manage the Proposed SISP with the oversight of the Monitor;

d) the Monitor’s recommendations on the relief sought in the Monitor’s Application.

7. This Second Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the **“Gil Affidavit”**), the Pre-Filing Report, and the First Report, which can be found on the Monitor’s Website (herein defined) and contain background information with respect to

the Companies' businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

8. Any terms not expressly defined herein shall have the meaning ascribed in the Gil Affidavit, the Pre-Filing Report, the First Report, the Initial Order, and the ARIO, as applicable. All materials filed with the Court in the CCAA Proceedings are accessible on the Monitor's website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/summit-automotive-group> (the "**Monitor's Website**"). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.

TERMS OF REFERENCE

9. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit, discussions between the CRO and management of the Debtors ("**Management**"), discussions with the Applicant and information from other third-party sources (collectively, the "**Information**"). Except as described in this Second Report in respect of the Cash Flow Forecast:
 - a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b) some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

10. Future oriented financial information referred to in this Second Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
11. Unless otherwise indicated, the Monitor's understanding of the factual matters expressed in this Second Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

STAY EXTENSION

13. The Stay of Proceedings currently expires on September 26, 2025. The Monitor is requesting an extension of the Stay of Proceedings until November 21, 2025. The Monitor supports an extension of the Stay of Proceedings for the following reasons, among others:
 - a) the Debtors, through the Monitor with its enhanced powers, are acting in good faith and with due diligence;
 - b) the Stay will provide the Monitor and Debtors with time to stabilize the businesses of the Debtors, continue the Proposed SISP, and review potential transactions in respect of the Dealerships; and
 - c) as of the date of this Report, the Monitor is not aware of any party opposed to the requested extension.
14. According to the Cash Flow Forecast (as described below), there will be sufficient funding to operate the Debtors' businesses during the proposed extension of the Stay of Proceedings to November 21, 2025.
15. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that the Stay of Proceedings be extended.

MONITOR'S ACTIVITIES TO DATE

16. Since the date of the First Report, the Monitor has:

- a) continued to update the Monitor's Website;
- b) met with former ownership regarding the CCAA Proceedings, terminated their employment and prepared term and task letters for them to assist the Monitor and CRO with potential transition items;
- c) held regular discussions with Management, the CRO, the Sales Agent and key stakeholders (including BMO) regarding operations, liquidity, the Debtors' current sales process status ("**Debtor-led Sale Process**"), the Proposed SISP, and broader restructuring initiatives;
- d) continued to communicate with each of the original equipment manufacturers ("**OEM(s)**") regarding OEM billing statements reconciliation, the Debtor-led Sale Process and the Proposed SISP;
- e) continued to assist the Companies with stakeholder communications;
- f) continued discussion with representatives of the Sales Agent, including but not limited to, the status of any letters of intent ("**LOI(s)**") and/or asset purchase agreements ("**APA(s)**") received to date with regards to the Debtor-led Sale Process and any remaining due diligence requirements of the prospective purchasers (the "**Prospective Purchasers**");
- g) continued discussions with various Prospective Purchasers and/or their respective counsel regarding the CCAA Proceedings and potential next steps, including the Proposed SISP;
- h) began preparation for the Proposed SISP in consultation with the Sales Agent and counsel, including drafting the Proposed SISP process letter, and assisting with marketing activities and materials;

- i) continued to engage in discussions with the Toronto Dominion Bank (“**TD**”) and its counsel with regard to the TD financed dealership, 2412170 Alberta Ltd. o/a Westcastle Chevrolet Buick GMC (“**Westcastle GMC**”);
- j) continued to respond to correspondence received from creditors and other parties regarding the CCAA Proceedings;
- k) continued to participate in various discussions with Management and the CRO regarding operations, treasury functions and vehicle inventory;
- l) held various discussions with the Applicant’s counsel and the Monitor’s counsel with regards to the CCAA Proceedings;
- m) continued to work with the CRO to oversee the Debtors’ treasury functions, including the monitoring of weekly receipts and disbursements against the Cash Flow Forecast;
- n) reviewed Miller Thomson’s security opinion on the validity and enforceability of BMO’s security over the Debtors;
- o) reviewed outstanding sold-in-violation (“**SIV(s)**”) vehicle amounts and began, with the assistance of the CRO, preparing for floor plan repayment initiatives;
- p) investigated numerous matters, irregularities, and concerns raised by employees of the Companies, the CRO, and Management;
- q) began review of personnel with the assistance of the CRO, as well as continued discussions with the CRO regarding proposed new personnels needed across the Dealerships;
- r) attended the Comeback Hearing; and
- s) prepared this Second Report.

CASH FLOW FORECAST

17. The Monitor's First Report included a Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the "**Cash Flow Period**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "C"**.
18. The Monitor has reviewed the actual cash flow from operations for the 2-week period ending September 5, 2025 (the "**Initial Review Period**"), through monitoring the banking activities of the Debtors.
19. The Debtors' actual cash flow from operations for the Initial Review Period exceeded the projections for that same period by approximately \$2.0 million. This variance is a combination of timing differences of receipts and disbursements, as follows:
- a) the positive variance is largely due to the:
 - (i) delay in the net repayment of the outstanding Floorplan Credit Facilities (herein defined) for new and used vehicles sales and/or collection of vehicle sale proceeds (net of chatteling of new/used vehicles) after the Filing Date of \$4.6 million;
 - (ii) delay in the payment of trade-in vehicle lien payouts of \$1.1 million due primarily to lower than forecasted new and used vehicle sales and/or lower lien amounts on the actual trade-in vehicles;
 - (iii) delay in professional and restructuring fee payments of approximately \$380,000;
 - (iv) approximately \$232,000 of variance related to payroll and associated benefits, which is primarily due to decreased employee levels/ownership payroll and/or a classification of contractor amounts as vendor payments, which was budgeted in the payroll expense;
 - (v) delay in part purchases of approximately \$120,000 due to the CCAA Proceedings and the ramp up with OEMs regarding extending credit;

- (vi) net operating expenses (include rent, vendor and insurance payments) and contingency payments were 116,000 lower than forecast;
- b) the above positive variances are partially offset by:
 - (i) approximately \$3.3 million delay in receipts from new and used vehicles sales largely due to timing differences, and notice of the CCAA proceedings. These receipts are expected to catch up in later weeks;
 - (ii) net HST collection of approximately \$404,000 due to lower vehicles sales and disbursement levels;
 - (iii) \$375,000 of pre-filing HST was remitted in error by the Companies and an amended return will be filed to recoup the funds and/or offset future HST amounts owed;
 - (iv) approximately \$344,000 of dealer trades were purchased of which the vast majority was or will be chatteled with the Floorplan Credit Facilities; and
 - (v) delay in part sales of \$184,000 due to reduced sales activity, the CCAA Proceedings and part purchases.
- c) A summary of the variance analysis described above is attached hereto as **Appendix “D”**.

PROPOSED SALES INVESTMENT AND SOLICITATION PROCESS

20. As noted in the First Report, the Debtors had commenced the Debtor-led Sale Process, with Tim Lamb as the Sales Agent. The Monitor’s objective was to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals.

21. Following the Monitor’s review of the Debtor-led Sales Process, the Monitor is of the view that a more formal, Court-approved and supervised sales process is required to maximize realizations for the Debtors’ stakeholders. As such, the Proposed SISP has been developed by the Monitor, in consultation with the Sales Agent and the Applicant, and is intended to solicit

interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' Property (the "**Opportunity**").

22. During the Proposed SISP, the Monitor shall be permitted to remove any of the Dealerships from the Proposed SISP if the Monitor, in consultation with the Sales Agent and the Applicant, is of the view that any transaction with a Potential Purchaser from the Debtor-led Sales Process is sufficiently advanced, and is the highest and best value for the applicable Dealership business in the circumstances.
23. The Opportunity may include one or more of a restructuring, recapitalization or other forms of reorganization of the business and affairs of the Companies as a going concern or a sale of all, substantially all or one or more components of the Companies' Property as a going concern or otherwise.
24. Below is a summary of the key features of the Proposed SISP and the milestones contemplated thereby. Any terms not expressly defined in this section shall have the meaning ascribed in the Proposed SISP attached hereto as **Appendix "E"**.

Proposed SISP Summary and Timelines

25. A summary of the key milestones of the Proposed SISP are as follows:

MILESTONE	DEADLINE
Go to market	As soon as practicable and in any event no later than the Monitor's Application
Expression of Interest Deadline (EOI Deadline)	Friday, October 3, 2025 (12:00 PM MT)
EOI Selection Date	Tuesday, October 7, 2025
Binding Bid Deadline	Friday, October 24, 2025 (12:00 PM MT)
Selection of Qualified Bids	Tuesday, October 28, 2025
Selection of Successful Bidder(s) and Execution of Definitive Transaction Agreement(s)	Friday, October 31, 2025
Hearing of the Sale Approval Motion	Subject to Court availability, week of November 10, 2025
Closing the Transaction (Outside Date)	No later than Wednesday, December 3, 2025

26. Pursuant to the Proposed SISP, the various deadlines herein may be extended by and at the discretion of the Monitor, in consultation with the CRO and BMO.

Solicitation of Interest

- a) If approved by this Court, as soon as reasonably practicable, but in any event by no later than the Monitor's Application:
 - (i) The Sales Agent, with the assistance of the Monitor, will prepare a list of potentially interested parties, including (i) parties that have approached the Companies, 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 Companies pursuant to the Proposed SISP (collectively, the "**Known Potential Bidders**").
- 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 Proposed SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the Proposed 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 Companies, or any portion thereof (the "**NDA**").
- c) 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 Companies or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Key Activities and Dates

27. **Go to Market:** The marketing efforts will commence as soon as practicable and in any event no later than the Monitor's Application.
28. **EOI Deadline:** The solicitation of non-binding expressions of interest ("**EOIs**") will proceed with a submission deadline of 12:00 p.m. (Mountain Time) on Friday, October 3, 2025, or such later date as may be modified in the process letter circulated by the Sales Agent with the Monitor's approval. While EOIs may be non-binding, they must include the information and disclosures set out in the Proposed SISP.
29. **EOI Selection:** The Sales Agent will notify each potential bidder in writing as to whether their EOI has been selected to continue in the process (a "**Selected EOI**") by Tuesday, October 7, 2025, or such later date as determined appropriate by the Monitor in consultation with the Sales Agent and BMO.
30. **Binding Bid Deadline:** Bidders with a Selected EOI that wish to make a formal proposal ("**Bidders**") must submit a binding bid (a "**Binding Bid**") to the Monitor and Sales Agent by 12:00 p.m. (Mountain Time) on Friday, October 24, 2025 (the "**Binding Bid Deadline**"), or such later date as may be modified in the bid process letter circulated by the Sales Agent with the Monitor's approval. Binding Bids must comply with all the requirements set out in the Proposed SISP, and in each case, be delivered in the form of a signed agreement based upon the relevant template (if any) included in the virtual data room with all exhibits and schedules thereto completed (a "**Definitive Transaction Agreement**").
31. **Qualified Bid Selection:** The Sales Agent, in consultation with the Monitor and BMO, will assess the Binding Bids and determine which constitute "**Qualified Bids**" in accordance with the criteria set out in the Proposed SISP. The Sales Agent will notify each Bidder as to whether their Binding Bid has been designated a Qualified Bid by Tuesday, October 28, 2025, or such later date as determined appropriate by the Monitor.

Selection of a Successful Bid

32. The Monitor, in consultation with the Sales Agent and the Applicant, will, by Friday October 31, 2025:

- a) review each Qualified Bid, the finalized Definitive Transaction Agreement and accompanying exhibits and schedules 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 the respective OEMs of each of the Dealerships accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a transaction by the week of November 10, 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);
 - (v) the likelihood of the Court's approval of the Successful Bid (as defined below), if required;
 - (vi) the net benefit to the Companies' and their estates; and
 - (vii) 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 BMO, 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.

33. Any Successful Bid will be subject to approval by this Court.

34. In the Monitor’s view, the Proposed SISP is a fair, reasonable, and transparent process that is consistent with sale processes approved in other insolvency proceedings in this industry. The Monitor is of the view that the proposed SISP will sufficiently canvass the market for and maximize the value of the Property, to the benefit of Companies’ creditors and stakeholders more generally. Accordingly, the Monitor recommends that this Court approve the Proposed SISP.

BMO SECURITY REVIEW UPDATE

35. As described in greater detail in the Gil Affidavit, the Debtors have a number of pre-filing secured credit facilities with BMO (collectively, the “**Pre-Filing Credit Facilities**”), including certain floor plan facilities pursuant to which BMO finances the acquisition of new and used vehicles by the Dealerships (the “**Floorplan Credit Facilities**”). In order for the Summit Auto Group to continue to operate as a going concern and purchase new or used vehicles in the ordinary course, it is necessary that the Summit Auto Group continue to have access to Floorplan Credit Facilities.

36. As advised by the Monitor in the First Report, the Monitor has requested an independent legal opinion from its legal counsel to determine the validity and enforceability of security granted by the Summit Auto Group to BMO associated with the Pre-Filing Credit Facilities (the “**Security Opinion**”). Upon confirmation that BMO’s security is valid and enforceable (“**Positive Security Opinion Results**”) the Monitor intended to make payments to BMO under the Floorplan Credit Facilities.

37. Miller Thomson delivered the Security Opinion which confirms the Positive Security Opinion Results. Based on the Positive Security Opinion Results, and in discussion with Miller Thomson, the Monitor is satisfied that ordinary course payments, including prefiling amounts

owing, to BMO under the Floorplan Credit Facilities shall be, and will continue to be made in accordance with the ARIIO, in line with the Cash Flow Forecast.

MONITOR’S INVESTIGATIVE POWERS

38. To date, the Monitor and the CRO have identified certain transaction irregularities requiring further review, including potential related-party transactions at under value, wholesale vehicle sales resulting in substantial losses, and undocumented intercompany advances, all of which may have resulted in the erosion of BMO’s collateral.

39. Since the commencement of the CCAA Proceedings, the CRO has advanced multiple investigative workstreams. The CRO’s investigations have confirmed several material concerns, such as:

- a) an incident at Vermilion Chrysler in which an estimated 25–50 original deal files were shredded and discarded. While duplicate files were subsequently identified, the destruction of the original documents raises significant concerns regarding the preservation of dealership records and the integrity of historical reporting;
- b) cumulative losses exceeding \$1 million were confirmed through further review of wholesale vehicle transactions, with units sold significantly below fair market value and subsequently certain of those same vehicles resold by the wholesale purchasers at materially higher prices. The CRO believes that these transactions may suggest undisclosed revenue-sharing arrangements that benefitted third parties at the expense of the Dealerships and BMO; and
- c) the widespread use of third-party finance “pod” agreements across Dealerships. These arrangements have resulted in falsified credit applications, lender chargebacks, and the termination of certain lender relationships (such as RBC). Certain agreements have been linked to potential misrepresentations, undisclosed commissions, and ongoing regulatory investigations by the Vehicle Sales Authority of British Columbia (“VSA”) and the Alberta Motor Vehicle Industry Council (“AMVIC”).

40. A copy of the CRO’s report on its preliminary findings on these irregularities is attached hereto as **Appendix “F”**.

41. Through various inquiries, the Monitor has come to understand that funds from Squamish Chrysler, a BMO-financed debtor, may have been redirected through separate entities and paid to related companies not subject to the CCAA Proceedings. The Monitor understands that there were transfers or redirection of funds of at least \$500,000.
42. In light of the above, the Monitor is seeking the Investigative Powers, as contemplated in the Stay Extension Order. These powers would authorize the Monitor to compel the production of books, records and correspondence, and to conduct examinations under oath if necessary and where appropriate.
43. The Monitor considers the Investigative Powers to be necessary and appropriate to further investigate the irregularities identified to date, to ensure transparency in the conduct of the CCAA Proceedings, and to protect the interests of the Companies' stakeholders. The Monitor intends to exercise such powers in a targeted and proportionate manner, in consultation with its counsel and the Applicant.

MONITOR AND ITS COUNSEL'S FEES

44. Pursuant to paragraph 31 of the ARIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges. Pursuant to paragraph 32 of the ARIO, the Monitor and its counsel shall pass their accounts from time to time.
45. The Monitor seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Monitor and its counsel have maintained detailed records of their professional time and costs.
46. The Monitor's fees from April 1, 2025, to August 31, 2025, were \$223,219.50, plus disbursements of \$2,421.39, plus GST of \$11,282.04 for a total of \$236,922.93.
47. Miller Thomson's fees, as legal counsel to the Monitor, from August 11, 2025, to August 29, 2025, were \$91,796.00, plus disbursements of \$3,465.08, plus GST of \$4,719.32 for a total of \$99,980.40.
48. A summary of the accounts rendered by the Monitor and its legal counsel is attached hereto as **Appendix "G"**. Detailed accounts are available for review by the Court upon request. The

amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

49. It is the Monitor's opinion that the fees and disbursements of the Monitor and Miller Thomson accurately reflect the work performed by the Monitor and Miller Thomson in connection with the administration of the CCAA Proceedings for the dates of their respective invoices. It is the Monitor's opinion that the fees and disbursements of Miller Thomson are fair, reasonable and justified in the circumstances. The Monitor recommends approval of Miller Thomson's accounts by this Court.

CONCLUSION

50. This Second Report has been prepared by the Monitor in support of the Monitor's Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor's Application.

All of which is respectfully submitted this 10th day of September 2025.

**BDO CANADA LIMITED, in its capacity
as the Monitor of the Summit Auto Group, and
not in its corporate or personal capacity.**

Per:



Clark Lonergan, CA, CPA, CIRP, LIT

Partner/Senior Vice President

**Appendix “D” – Third Report of the Monitor dated November 7, 2025 (without
appendices)**

COURT FILE NUMBER

2501 - 13057

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE ~~CREDITORS~~ **2501-13057**
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, as amended **NOV 7, 2025**

AND IN THE MATTER OF A ~~PLAN OF~~ **COMPROMISE OR ARRANGEMENT OF**
2345137 ALBERTA LTD., 2351497 ALBERTA
LTD., 2497902 ALBERTA LTD., SUMMIT S
AUTO LTD., SUMMIT V AUTO LTD., MK
AUTO K-M LTD., 2437342 ALBERTA LTD.,
1972207 ALBERTA LTD., 1175104 B.C. LTD.,
1262113 B.C. LTD., AND 1272986 B.C. LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497 ALBERTA
LTD., 2497902 ALBERTA LTD., SUMMIT S
AUTO LTD., SUMMIT V AUTO LTD., MK
AUTO K-M LTD., 2437342 ALBERTA LTD.,
1972207 ALBERTA LTD., 1175104 B.C. LTD.,
1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT

**THIRD REPORT OF BDO CANADA
LIMITED, IN ITS CAPACITY AS THE
COURT-APPOINTED MONITOR**

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.

Attention: James W. Reid/Monica Faheim/
Pavin Takhar

Telephone: 403.298.2418

E-mail: jwreid@millerthomson.com
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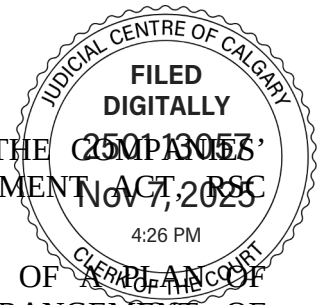


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LIST OF APPENDICES

Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without appendices)

Appendix “B” – First Report of the Monitor dated August 27, 2025 (without appendices)

Appendix “C” – Second Report of the Monitor dated September 10, 2025 (without appendices)

Appendix “D” – Cash Flow Forecast for the Period August 22, 2025, to November 23, 2025

Appendix “E” – Cash Flow Variance for the Period

Appendix “F” – Revised Cash Flow Forecast

Appendix “G” – Redacted Arrow VW Sale Agreement

Appendix “H” – Redacted Castle Ford Sale Agreement

Appendix “I” – September 23, 2025 Letter Correspondence

Appendix “J” – October 21, 2025 Letter Correspondence

Appendix “K” – Corporate Search Westcastle Dealership

Appendix “L” – Corporate Search Westcastle Real Co

Appendix “M” – Professional Fees Schedule

INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon the application by the Bank of Montreal (“**BMO**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court granted:
 - a) an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Debtors’ then ongoing sales process;
 - b) the appointment of the Monitor and expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
 - c) the appointment of the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. over the Debtors;
 - d) a charge over the Debtors’ property (the “**Property**”) to stand as security for payment by the Companies of the professional fees and disbursements of the BMO’s legal counsel, the Monitor and its independent legal counsel, and the CRO, in an aggregate amount not to exceed \$350,000 (the “**Administration Charge**”);

- e) the power for the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors' operations during the CCAA Proceedings and a charge over the Property to stand as security (the "**Monitor's Borrowing Charge**"); and
 - f) a charge over the Property to stand as security for the Debtors' obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Court Ordered Charges**").
3. The Initial Order contemplated a comeback application on August 27, 2025 (the "**Comeback Hearing**").
4. At the Comeback Hearing, the Court granted an amended and restated initial order (the "**ARIO**"). The ARIO, among other things:
- a) extended the Stay of Proceedings until and including September 26, 2025;
 - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
 - c) approved an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
 - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO's security; and
 - e) reaffirmed the Monitor's authority to manage and operate the Companies' businesses and oversee sales efforts through its expanded powers.
5. On September 19, 2025, upon an application of the Monitor, the Court granted the following additional relief:
- a) an order (the "**Stay Extension Order**") which, among other things:
 - (i) extended the Stay of Proceedings up to and including November 21, 2025; and
 - (ii) granted the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor

to conduct investigations, compel production of records relating to the Companies or the businesses of the Companies, and to compel examination under oath of any person reasonably thought to have knowledge relating to the Companies or the businesses of the Companies (**“Investigative Powers”**).

b) an order (the **“SISP Approval Order”**) which, among other things:

- (i) approved a sale and investment solicitation process (the **“SISP”**); and
- (ii) approved the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the **“Sales Agent”** or **“Tim Lamb”**) to administer and manage the SISP with the oversight of the Monitor.

6. To date, the Monitor has provided the Court with the following reports (the **“Previous Reports”**):

- a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the **“Pre-Filing Report”**) in connection with the application for the Initial Order. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**;
- b) the First Report of the Monitor filed August 27, 2025 (the **“First Report”**) in connection with the application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**; and
- c) the Second Report of the Monitor filed September 10, 2025 (the **“Second Report”**) in connection with the application for the Stay Extension Order and the SISP Approval Order. The Second Report (without appendices) is attached hereto as **Appendix “C”**.

PURPOSE

7. The purpose of this third report of the Monitor (the **“Third Report”**) is to provide information to the Court with respect to:

- a) the activities of the Monitor since the Second Report;
- b) the Debtors’ actual cash flow results for the 10-week period ended November 2, 2025, versus the budgeted results for that period, as outlined in the Debtors’ initial

13-week consolidated cash flow from August 22, 2025, to the week ended November 23, 2025 (the “**Initial Cash Flow Forecast**”);

- c) the Debtors’ revised 13-week cash flow forecast (the “**Revised Cash Flow Forecast**”), on a consolidated basis, for the period November 3, 2025, to February 1, 2026 (the “**Revised Cash Flow Period**”) and the Monitor’s comments regarding the reasonableness thereof;
- d) an update on the SISP;
- e) the Monitor’s comments and recommendations with respect to its application returnable on November 13, 2025 (the “**Application**”) seeking:
 - (i) an order (the “**Arrow VW AVO**”) to approve and authorize the sale transaction (the “**Arrow VW Transaction**”) of certain of the assets, undertakings and properties of Arrow VW and Real Co (together, the “**Arrow VW Vendors**”), pursuant to a purchase and sale agreement between the Arrow VW Vendors as vendors and K5 IG Holdings Inc. as purchaser (the “**Arrow VW Purchaser**”) dated as of November 6, 2025 (the “**Arrow VW Sale Agreement**”);
 - (ii) an order (the “**Castle Ford AVO**”) to approve and authorize the sale transaction (the “**Castle Ford Transaction**”, and together with the Arrow VW Transaction, the “**Transactions**”) of certain of the assets, undertakings and properties of Castle Ford and Real Co (together, the “**Castle Ford Vendors**”), pursuant to a purchase and sale agreement between the Castle Ford Vendors as vendors and Davis Auto Group Ltd. as purchaser (the “**Castle Ford Purchaser**”) dated as of November 6, 2025 (the “**Castle Ford Sale Agreement**”);
 - (iii) an order (the “**Second Stay Extension Order**”) to, among other things:
 - I. extend the Stay of Proceedings up to and including January 30, 2026, as supported by the Cash Flow Forecast;
 - II. approve the activities of the Monitor since the Second Report;

- III. approve the accounts of the Monitor and its legal counsel, Miller Thomson LLP (**“Miller Thomson”**), for fees and disbursements incurred to date;
 - IV. authorize the Monitor to make distributions to BMO in its capacity as the senior secured lender;
 - V. authorize the Monitor to have full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of 2412170 Alberta Ltd. (**“Westcastle Dealership”**) and 2416326 Alberta Ltd. (**“Westcastle RealCo”**), together operating as Westcastle Chevrolet Buick GMC (**“Westcastle GMC”**);
 - VI. temporarily seal the Confidential Supplement to the Third Report until the closing of the Transactions or until further order of this Honourable Court; and
 - VII. such further and other relief as the Court may deem just and equitable.
8. The Previous Reports and other Court materials in connection with the CCAA Proceedings are available on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/summit-automotive-group> (the **“Monitor’s Website”**). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.
9. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Previous Reports.

TERMS OF REFERENCE

10. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit (herein defined), discussions between the CRO and management of the Debtors (**“Management”**), discussions with BMO and information from other third-party

sources (collectively, the “**Information**”). Except as described in this Third Report in respect of the Revised Cash Flow Forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b) some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
11. Future oriented financial information referred to in this Third Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
12. Unless otherwise indicated, the Monitor’s understanding of the factual matters expressed in this Third Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND INFORMATION

14. This Third Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the “**Gil Affidavit**”), the Pre-Filing Report, the First Report, and the Second Report, which can be found on the Monitor’s Website and contain background information with respect

to the Companies' businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

MONITOR'S ACTIVITIES TO DATE

15. Since the date of the Second Report, the Monitor has:

- a) continued to update the Monitor's Website;
- b) continued to hold regular discussions with Management, the CRO, the Sales Agent and key stakeholders, including BMO, regarding operations, liquidity, and broader restructuring initiatives;
- c) continued to communicate with each of the original equipment manufacturers ("OEM(s)") regarding OEM billing, SISP updates, and operations;
- d) continued to assist the Companies with stakeholder communications;
- e) provided oversight and support to the Companies' treasury functions, including cash flow reporting through:
 - (i) implementing a weekly treasury monitoring protocol;
 - (ii) conducting variance analysis between actual and forecasted cash flow and submitting variance updates to BMO; and
 - (iii) facilitating interim financing requests/Monitor's borrowings;
- f) supervised and assisted with activities related to the SISP, including but not limited to:
 - (i) continued discussions with the representatives of the Sales Agent regarding the status of bidders;
 - (ii) providing regular updates to key stakeholders, including OEMs and BMO, on the status of the SISP;
 - (iii) assisting with preparation of due diligence items and review of materials uploaded to the virtual data room ("VDR");

- (iv) reviewing the teaser materials and coordinating the distribution of it with the Sales Agent;
 - (v) tracking the execution of non-disclosure agreements (“**NDA(s)**”) and monitoring of the Sales Agent’s outreach efforts;
 - (vi) holding discussions with all prospective purchasers that participated in the SISP by submitting an expression of interest (“**EOI**”);
 - (vii) reviewing EOIs received, and providing comparative EOI in summary format to key stakeholders;
 - (viii) reviewing the draft asset purchase agreement (“**APA**”) template;
 - (ix) reviewing binding bids/APAs received and facilitating negotiations with bidders regarding the same;
 - (x) setting up a trust account for purchase deposits;
 - (xi) coordinating environmental assessments and real estate appraisals;
 - (xii) coordinating with counsel and bidders to finalize APAs; and
 - (xiii) preparing and issuing communications to successful and unsuccessful bidders at various stages of the SISP;
- g) continued review of personnel matters with the assistance of the CRO, and issued termination notices to certain personnel;
 - h) continued to investigate into numerous matters, irregularities, and concerns raised by the employees of the Companies, the CRO, and Management;
 - i) continued to correspond with the Companies’ former ownership and the Toronto Dominion Bank (“**TD**”) and its counsel with regards to the TD financed dealership, Westcastle GMC;
 - j) continued to respond to correspondence received from creditors and other parties regarding the CCAA Proceedings;

- k) continued to participate in various discussions with Management and the CRO regarding operations, treasury functions, and vehicle sales activities;
- l) corresponded with BMO, BMO's counsel, and the independent counsel to the Monitor, Miller Thomson, regarding matters related to these CCAA Proceedings;
- m) engaged in correspondence with dealer finance partners or third-party finance providers through which the Dealerships submit customer credit applications on behalf of customers seeking vehicle financing at the point of sale;
- n) prepared the Revised Cash Flow Forecast with the assistance of the CRO and Management;
- o) attended the September 19, 2025, Court hearing; and
- p) prepared this Third Report.

STAY OF PROCEEDINGS EXTENSION

16. The Stay of Proceedings currently expires on November 21, 2025. The Monitor is requesting an extension of the Stay of Proceedings until January 30, 2026. The Monitor seeks an extension of the Stay of Proceedings for the following reasons, among others:

- a) the Debtors, through the Monitor with its enhanced powers, are acting in good faith and with due diligence;
- b) the Stay of Proceedings will provide the Monitor and Debtors with time to stabilize the businesses of the Debtors, complete and close the Transactions, review potential transactions in respect of the Dealerships; and
- c) as of the date of this Report, the Monitor is not aware of any party opposed to the requested extension.

17. According to the Revised Cash Flow Forecast (as described below), there will be sufficient funding to operate the Debtors' businesses during the proposed extension of the Stay of Proceedings to January 30, 2026.

18. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that the Stay of Proceedings be extended.

DEBTORS' RECEIPTS AND DISBURSEMENTS SINCE FILING DATE

19. The Monitor's First Report included a Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025. A copy of the Cash Flow Forecast is attached hereto as **Appendix "D"**.
20. The Monitor has reviewed the actual cash flow from operations for the 10-week period ending November 2, 2025 (the **"Second Review Period"**), through monitoring the banking activities of the Debtors.
21. The Debtors' actual cash flow from operations for the Second Review Period exceeded the projections for that same period by approximately \$2.1 million. This variance is a combination of significantly lower than forecast dealership activity (permanent differences) and certain timing differences of receipts and disbursements, outlined, as follows:
- a) the positive variance is largely due to the:
 - (i) reduction in the net repayment of the outstanding Floorplan Credit Facilities in the amount of approximately \$17.7 million for new and used vehicles sold (net of chatteling of new/used vehicles purchased or taken in as trade-ins), due to significantly lower than anticipated vehicle sales activity after the Filing Date;
 - (ii) reduction in the payment of trade-in vehicle lien payouts of approximately \$6.7 million primarily due to lower than forecasted new and used vehicle sales and/or lower lien amounts on the actual trade-in vehicles;
 - (iii) delay in professional and restructuring fee payments of approximately \$0.7 million;
 - (iv) reduction in part purchases of approximately \$0.6 million due to lower dealership activity and respective OEMs extending credit;
 - (v) reduction in finance product costs of approximately \$0.5 million due to lower dealership activity;
 - (vi) reduction in net operating (including rent, vendor and insurance payments) and contingency payments of approximately \$0.4 million lower than forecast; and

- (vii) reduction in payroll and associated benefits of approximately \$0.3 million, which is primarily due to decreased employee levels/ownership payroll;

b) the above positive variances are partially offset by:

- (i) reduction in receipts from new and used vehicles sales of approximately \$21.2 million largely due to lower than forecasted vehicles sales from the removal of the high sale volume/low margin/high risk financing pods (the “**Pods**”) operating out of certain dealerships, suspension of the significant number of third-party lenders for vehicle financing due to these Pods, and decreased sales personnel;
- (ii) increased vehicle purchases/dealer trades of approximately \$1.6 million not previously forecast;
- (iii) reduction in net HST collections of approximately \$1.2 million due to lower vehicle sales and disbursement levels; and
- (iv) reduction in parts/service sales of approximately \$0.8 million due to decreased dealership activity.

22. A summary of the variance analysis described above is attached hereto as **Appendix “E”**.

REVISED CASH FLOW FORECAST

23. The CRO, with the assistance of the Monitor, prepared the Revised Cash Flow Forecast for the purposes of projecting the Debtors’ estimated liquidity needs during the Revised Cash Flow Period. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix “F”**.

24. The Revised Cash Flow Forecast is presented on a weekly basis and represents the CRO’s estimates of the projected cash flow during the Revised Cash Flow Period. The Revised Cash Flow Forecast has been prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Revised Cash Flow Forecast.

25. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors.

26. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a) the Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
- b) as at the date of this Third Report, the Assumptions are not suitably supported or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the probable and hypothetical assumptions; or
- c) the Revised Cash Flow Forecast does not reflect the Assumptions.

27. The Monitor notes that the Revised Cash Flow Forecast has been prepared solely for the purpose described above and since the Revised Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Revised Cash Flow Forecast may not be appropriate for other purposes.

28. The Revised Cash Flow Forecast shows that during the Revised Cash Flow Period, the Debtors will experience a new cash outflow of approximately \$3.5 million. The Revised Cash Flow Forecast projects that during the Revised Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor's Borrowing Certificates. As detailed below, the Monitor believes that the amount on the Monitor's Borrowing Certificates and Monitor's Borrowing Charge is appropriate and necessary given the Revised Cash Flow Forecast and is limited to the amounts reasonably necessary.

BACKGROUND TO COURT-APPROVED SISP

29. As noted in the First Report, the Debtors had commenced a Debtor-led sale process ("**Previous Sales Process**"), with the Tim Lamb Group as their sales agent. The Monitor's objective was to preserve momentum and, where transactions were substantially completed and commercially reasonable, seek Court approval to close near-ready deals.

30. Following the Monitor's review of the Previous Sales Process, the Monitor was of the view that a more formal, Court-approved and supervised sales process was required to maximize realizations for the Debtors' stakeholders. As such, the SISP was developed by the Monitor, in

consultation with the Sales Agent and BMO, to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' Property (the **"Opportunity"**).

31. Following the SISP Approval Order, the Monitor together with the Sales Agent conducted the SISP in accordance therewith.

32. The SISP contemplated the following key features and milestones which could each be extended at the discretion of the Monitor, in consultation with the Sales Agent and BMO:

MILESTONE	DEADLINE
Go to market	Monday, September 8, 2025
Expression of Interest Deadline (EOI Deadline)	Friday, October 3, 2025 (12:00 PM MT)
EOI Selection Date	Tuesday, October 7, 2025
Binding Bid Deadline	Friday, October 24, 2025 (12:00 PM MT)
Selection of Qualified Bids	Tuesday, October 28, 2025
Selection of Successful Bidder(s) and Execution of Definitive Transaction Agreement(s)	Friday, October 31, 2025
Hearing of the Sale Approval Motion	Subject to Court availability, week of November 10, 2025
Closing the Transaction (Outside Date)	No later than Wednesday, December 3, 2025

33. The Sales Agent, in consultation with the Monitor, solicited non-binding expression of interests from interested parties after going to market. After receiving the EOIs, the Monitor, in consultation with the Sales Agent, assessed the EOIs to determine which parties to invite for submission of "Qualified Bids".

34. As set out above, the SISP established a binding bid deadline of October 24, 2025 (the **"Bid Deadline"**). A summary of the SISP results up to the Bid Deadline is as follows:

Dealership	Parties Contacted	NDA's Completed	EOIs Received	Invited to Bid	Bids Received
Squamish Chrysler			4	3	1
Sun Valley Nissan			3	2	1
Vermilion Chrysler			2	1	0
Arrow VW			4	2	2
Western Sport Products			0	0	0
Cranbrook Mitsubishi			6	4	1
Castle Ford			3	2	1
All Stores	7,784*	63*	22	14	6

**Figures shown as aggregate as multiple parties had interest in all Dealerships.*

35. Pursuant to paragraph 12 and 40 of the SISP, in consultation with the Sales Agent and BMO, the Monitor extended the “Selection of Qualified Bids” and “Selection of Successful Bidders and Execution of Definitive Transaction Agreements” by two (2) business days to Thursday, October 30th, 2025 and Tuesday November 4, 2025 respectively, to allow Monitor and Sales Agent additional time assess and confirm certain deal points and conditions associated with the bids. The remaining dates and milestone remained the same.
36. Of the six (6) bids received, only two (2) were deemed Qualified Bids, one (1) for the Arrow VW dealership and one (1) for the Castle Ford dealership. All other bids received contained significant conditions, including financing, and/or where the prospective purchasers would not be accepted by the respective OEM(s) to own and operate a dealership.
37. The letters of intent and asset purchase agreements from the Previous Sales Process were determined not to be Qualified Bids, with most offers remaining subject to financing that never materialized and/or prospective purchasers that were never going to be approved by the OEMs.
38. Now that a fulsome and transparent SISP has been run, the Monitor will continue to examine options to monetize the remaining dealership assets not subject to binding sale, which may include the sale of dealership(s) to other potential buyers that may still be interested and/or start a liquidation process for the remaining vehicles assets and real estate.
39. Additional details concerning the outcome of the SISP, including the number and nature of bids submitted, are set out in the confidential supplement to this Third Report (the “**Confidential Supplement**”). As discussed in greater detail below, the Monitor is seeking the Sealing Order with respect to the Confidential Supplement. Disclosure of this information in the public version of the Third Report could prejudice the Monitor’s efforts to market and sell

the remaining property, compromise the integrity of the SISP and adversely impact stakeholder value.

PROPOSED TRANSACTIONS AND SALE AGREEMENTS

40. The Confidential Supplement includes additional details of the results of the SISP as it pertains to the Transactions. The Monitor, in consultation with the Sales Agent and BMO, determined that the binding bid submitted by the VW Purchaser (the “**Arrow VW Bid**”) and Castle Ford Purchaser (“**Castle Ford Bid**”) represented the highest and best offer received under the SISP for the respective assets and real properties. Accordingly, the Monitor designated the Arrow VW Bid and Castle Ford Bid as the Successful Bids on November 4, 2025.
41. Apart from the Arrow VW Bid and Castle Ford Bid, the Monitor did not receive bids for the purchase of other Dealerships’ assets that would be considered a “Qualified Bid” based on the criteria set out in paragraph 29 of the SISP. As such, the Monitor has decided to not pursue any transactions on Dealerships other than Arrow VW and Castle Ford at the Application.

Arrow VW Transaction and Arrow VW Sale Agreement

42. Subject to Court approval, the Monitor, for and on behalf of the Arrow VW Vendors, intends to enter into the Arrow VW Sale Agreement. A copy of the draft Arrow VW Sale Agreement, which has the purchase price redacted, is attached hereto as **Appendix “G”**.
43. An unredacted copy of the Arrow VW Sale Agreement is included in the Confidential Supplement. As at the date of the Third Report, the Arrow VW Sale Agreement has not been executed.
44. The Arrow VW Sale Agreement contemplates a transaction whereby the Arrow VW Purchaser will acquire substantially all of the assets and business operations of the Arrow VW Vendors (the “**Arrow VW Purchased Assets**”), excluding only those assets expressly identified in the Arrow VW Sale Agreement as “Excluded Assets”.
45. The Arrow VW Purchased Assets include, among other things:
- a) all new, deferred new, and demonstrator vehicles as of closing, and certain used vehicles identified in advance of closing;
 - b) the real properties which Arrow VW operates a dealership on, owned by Real Co, located at 2014 and 2034 Cranbrook Street North, Cranbrook, BC (“**Arrow VW Real Properties**”);

- c) parts and accessories, including “Obsolete Inventory”, as of closing;
 - d) equipment, fixtures, furniture, and related assets used in the business; and
 - e) goodwill, licenses, permits, assigned contracts, customer deposits, warranty rights, work in progress, telephone and fax numbers, domain names, social media accounts, trade names, and software/hardware used in the business.
46. The Excluded Assets include any assets not specifically identified as “Purchased Assets” in the Arrow VW Sale Agreement, including, among other things, cash, bank accounts, short term investments, corporate records unrelated to the Arrow VW Purchased Assets, tax refunds, all “Receivables”, insurance policies, and “Excluded contracts”.
47. Given the inventory levels and other Arrow VW Purchased Assets may fluctuate (i.e. customer deposits) before closing, the Arrow VW Sale Agreement provides for a purchase price adjustment mechanism to align the cash purchase price with assets on hand at close.
48. No less than two (2) days before the closing date, the Arrow VW Vendors must provide the Monitor and Arrow VW Purchaser with a reconciliation (the “**Arrow VW Reconciliation**”) including a physical count and listings of vehicles, parts, accessories, customer deposits, work in progress, and obsolete inventory.
49. Based on the Arrow VW Reconciliation, the Arrow VW Vendors will prepare a statement of adjustments reflecting agreed values for vehicles, parts, deposits, and work in progress no less than the day immediately prior to closing. Where figures cannot be finalized, the parties will agree on reasonable estimates that will be used and deemed final for closing.
- a) This mechanism ensures the purchase price accurately reflects Arrow VW Vendors’ actual vehicle inventory and other Purchased Assets at closing.
50. The Arrow VW Sale Agreement provides for the assignment of certain contracts (the “**Arrow VW Assigned Contracts**”) which will assist the Purchaser in preserving continued operation of the Arrow VW dealership following closing. The Monitor is working with the Arrow VW Purchaser to obtain consent to assignment of the Arrow VW Assigned Contracts from applicable counterparties but otherwise will seek the Court’s approval to assign the Arrow VW Assigned Contracts.

Employees

51. Under the Arrow VW Sale Agreement, the Arrow VW Purchaser is required to provide a list of employees to whom it will offer employment at least fourteen (14) days before closing of the Arrow VW Transaction. Those employees that accept offers will be “Transferred Employees”.
52. The Arrow VW Purchaser will assume obligations for wages, benefits, and termination pay of the Transferred Employees on a post-hire basis, whereas vacation pay and overtime will be assumed on a pre-hire basis. Arrow VW remains responsible for obligations to employees who are not transferred, as well as for all other pre-closing obligations (excluding the pre-hire vacation pay and overtime assumed by the Arrow VW Purchaser).

Closing and Closing Conditions

53. The Arrow VW Transaction is conditional upon, among other things, (i) approval of the Arrow VW Sale Agreement by this Court, (ii) delivery of customary transfer documents, (iii) satisfactory phase I environmental site assessment of Arrow VW Real Properties, and (iv) regulatory and manufacturer approvals necessary to complete the transaction, including approval from the respective OEM and the Vehicle Sales Authority of British Columbia (the “VSA”).
54. Closing of the Arrow VW Transaction is targeted for ten (10) business days following the later of: (i) waiver or satisfaction of the “Due Diligence Condition”, and (ii) the date of issuance of the Arrow VW AVO and must occur no later than the “Outside Date”, being January 15, 2026, or such other date as mutually agreed by the Arrow VW Vendors and Arrow VW Purchaser, with the consent of the Monitor and BMO.

Castle Ford Transaction and Castle Ford Sale Agreement

55. On November 6, 2025, subject to Court approval, the Monitor, for and on behalf of the Castle Ford Vendors, entered into the Castle Ford Sale Agreement. A copy of the Castle Ford Sale Agreement, which has the purchase price redacted is attached hereto as **Appendix “H”**.
56. An unredacted copy of the Castle Ford Sale Agreement is included in the Confidential Supplement.

57. The Castle Ford Sale Agreement contemplates a transaction whereby the Castle Ford Purchaser will acquire substantially all of the assets and business operations of the Castle Ford Vendors (the “**Castle Ford Purchased Assets**”), excluding only those assets expressly identified in the Castle Ford Sale Agreement as “Excluded Assets”.
58. The Castle Ford Purchased Assets include, among other things:
- a) all new, deferred new, and demonstrator vehicles as of closing, and certain used vehicles identified in advance of closing;
 - b) the real property which Castle Ford operates a dealership on, owned by Real Co, located at 1050 Corner Mountain Street, Pincher Creek, AB (the “**Castle Ford Real Property**”);
 - c) parts and accessories as of closing;
 - d) equipment, fixtures, furniture, and related assets used in the business; and
 - e) goodwill, licenses, permits, assigned contracts, customer deposits, warranty rights, work in progress, telephone and fax numbers, domain names, social media accounts, trade names, and software/hardware used in the business.
59. The Excluded Assets include any assets not specifically identified as “Purchased Assets” in the Castle Ford Sale Agreement, including, among other things, cash, bank accounts, short term investments, corporate records unrelated to the Castle Ford Purchased Assets, tax refunds, all “Receivables”, insurance policies, computer hardware, Obsolete Inventory and “Excluded Contracts”.
60. Given the inventory levels and other Castle Ford Purchased Assets may fluctuate (i.e. customer deposits) before closing, the Castle Ford Sale Agreement provides for a purchase price adjustment mechanism to align the cash purchase price with assets on hand at close.
61. No more than four (4) and no less than two (2) days before the closing date, the Castle Ford Vendors must provide the Monitor and Castle Ford Purchaser with a reconciliation (the “**Castle Ford Reconciliation**”) including a physical count and listings of vehicles, parts, accessories, customer deposits, and work in progress.

62. Based on the Castle Ford Reconciliation, the Castle Ford Vendors will prepare a statement of adjustments reflecting agreed values for vehicles, parts, deposits, and work in progress by no later than 3:00 p.m. Mountain Time on the day immediately prior to the closing date. Where figures cannot be finalized, the parties will agree on reasonable estimates that will be used and deemed final for closing. Where vehicle figures cannot be agreed upon by the parties, the Castle Ford Vendors will sell such retained vehicles on or around the closing date, and the Castle Ford Purchaser shall allow the Castle Ford Vendors to store and have access to the retained vehicles at the Castle Ford Real Property for a period of 45 days following closing date at no cost.

a) This mechanism ensures the purchase price accurately reflects Castle Ford Vendors' actual vehicle inventory and other Purchased Assets at closing.

63. The Castle Ford Sale Agreement provides for the assignment of certain contracts (the “**Castle Ford Assigned Contracts**”) which will assist the Purchaser in preserving continued operation of the Castle Ford dealership following closing. The Monitor is working with the Castle Ford Purchaser to obtain consent to assignment of the Castle Ford Assigned Contracts from applicable counterparties but otherwise will seek the Court's approval to assign the Castle Ford Assigned Contracts.

Employees

64. Under the Castle Ford Sale Agreement, the Castle Ford Purchaser is required to provide a list of employees to whom it will offer employment at least fourteen (14) days before closing of the Castle Ford Transaction. Those employees that accept offers will be “Transferred Employees”.

65. The Castle Ford Purchaser will assume obligations for wages, benefits, and termination pay of the Transferred Employees on a post-hire basis, whereas vacation pay and overtime will be assumed on a pre-hire basis. Castle Ford remains responsible for obligations to employees who are not transferred, as well as for all other pre-closing obligations (excluding the pre-hire vacation pay and overtime assumed by the Castle Ford Purchaser).

Closing and Closing Conditions

66. The Castle Ford Transaction is conditional upon, among other things, (i) approval of the Castle Ford Sale Agreement by this Court, (ii) delivery of customary transfer documents, and (iii)

regulatory and manufacturer approvals necessary to complete the transaction, including approval from the respective OEM and the Alberta Motor Vehicle Industry Council (the “AMVIC”).

67. Closing of the Castle Ford Transaction is targeted for the third business day following issuance of the Castle Ford AVO and must occur no later than the “Outside Date”, being January 15, 2026, or such other date as mutually agreed by the Castle Ford Vendors and Castle Ford Purchaser, with the consent of the Monitor and BMO.

Monitor’s Comments on the Transactions

68. The Monitor is of the view that the Arrow VW Bid represents the highest and best offer for the assets of the Arrow VW Vendors received in the SISP. The Monitor is also of the view that the Castle Ford Bid represents the highest and best offer received for the assets of the Castle Ford Vendors.

69. The Monitor believes that the SISP was conducted in a fair, transparent, and professional manner. The Monitor is satisfied that the process appropriately canvassed the market and that the Proposed Transactions represent the best outcomes available in the circumstances.

70. In reviewing the Arrow VW Bid and the Castle Ford Bid, the Monitor considered the following factors:

- a) the Arrow VW Bid represents the highest and best offer for the assets of the Arrow VW Vendors. The Castle Ford Bid represents the highest and best offer for the assets of Castle Ford Vendors;
- b) completion of the Arrow VW Transaction and Castle Ford Transaction will maintain the goodwill, customer base, and operating continuity for both Arrow VW and Castle Ford, which would be lost in a liquidation;
- c) completion of the Arrow VW Transaction and Castle Ford Transaction creates the potential for continued employment for existing employees of Arrow VW and Castle Ford, respectively, that are ultimately designated as Transferred Employees;
- d) BMO and the OEMs were consulted and are supportive of the Transactions, therefore reducing the closing risk; and

- e) both the Transactions are structured to close early in the new year due to holiday season, reducing closing risk.

71. Based on this analysis, the Monitor is satisfied that:

- a) the SISP was transparent, fair, and reasonable, given the circumstances;
- b) BMO, who is expected to suffer a significant shortfall on outstanding amounts owed to it by the Debtors (as set out in greater detail below), was consulted throughout the SISP and supports the Transactions;
- c) the Transactions maximize value for stakeholders relative to available alternatives;
- d) the Transactions provide a going-concern outcome for Arrow VW and Castle Ford; and
- e) in the Monitor's view, the Transactions are a superior outcome when compared to anticipated recoveries in a bankruptcy proceeding, which would materially erode value available to the Debtors' creditors and stakeholders through forced liquidation of assets and result in a cessation of the Debtors' business.

72. The Monitor is of the view that the Transactions represent fair value in the circumstances and recommends that this Court approve the Transactions.

PROPOSED DISTRIBUTION TO BMO

73. As of August 12, 2025, BMO was owed in excess of \$58 million (the "**Pre-Filing Credit Facilities**") net of accrued costs and interests, and as of the date of this Third Report, BMO has advanced \$1,800,000 to the Monitor through issuance of Monitor's Borrowing Certificates (together with all applicable interest, fees and expenses, the "**Indebtedness**").

74. Based on the Revised Cash Flow Forecast and the anticipated proceeds arising from the Transactions, the Monitor is of the view that: (i) insufficient proceeds will be generated to pay the full amount of the Indebtedness owing to BMO described immediately above, and (ii) the Monitor will, subject to maintaining a reserve from distributions to BMO, hold sufficient cash to fund the post-filing obligations of the Debtors during the period of the Stay of Proceedings.

75. Accordingly, the Monitor requests authority from this Court to distribute the proceeds generated from any sale of the Debtors' assets to BMO from time-to-time, subject only to a

reasonable holdback, as determined by the Monitor, in consultation with BMO, sufficient to enable the Debtors to meet any post-filing obligations during the course of the CCAA Proceedings, including any necessary wind-down activities.

76. As described in the Second Report, the Monitor has been provided with an independent legal opinion from Miller Thomson which addresses the laws of Alberta and British Columbia, and provides that, subject to the customary assumptions and qualifications contained therein, BMO's security over the Summit Auto Group associated with its Pre-Filing Credit Facilities is valid and enforceable.

WESTCASTLE GMC

77. The Monitor was made aware on or about September, 2025 of a potential transaction in respect of Westcastle GMC and has been provided with a copy of a draft asset purchase agreement in respect of this transaction.
78. Given that MK Auto is the sole voting shareholder of Westcastle GMC, the Monitor has sought transparency and oversight in respect of the business and affairs of Westcastle GMC, pursuant to the Monitor's powers under the ARIO (including the authority to exercise any shareholder rights held by MK Auto) and the investigatory powers under the Stay Extension Order.
79. In particular, the Monitor made a number of important and time-sensitive information and document requests to Mr. Koch concerning Westcastle GMC, including requests for the corporate minute book of Westcastle GMC, the articles of incorporation, bylaws, shareholder and director registers, and all related corporate governance materials, access to the dealer management system, access to the last twelve (12) months of transactions for all Westcastle GMC bank accounts, and copies of any purchase offers relating to Westcastle GMC (the "**Westcastle Information Requests**"). Despite follow up, the Monitor has not received responses to the Westcastle Information Requests from Mr. Koch.
80. The Westcastle Information Requests are necessary for the Monitor to carry out its Court-appointed mandate to preserve and protect the property of MK Auto, which include its equity interests in Westcastle GMC.
81. On September 23, 2025, Miller Thomson delivered letter correspondence to counsel to the Debtors and Mr. Koch, and counsel to The Toronto Dominion Bank (secured creditor of

Westcastle GMC) requesting any information and visibility on any proposed transaction(s) related to Westcastle GMC. A copy of the letter correspondence is attached as **Appendix “I”**.

82. On October 21, 2025, counsel for the Monitor sent correspondence to then counsel for Mr. Koch requesting certain additional necessary documentation. A copy of the letter correspondence is attached as **Appendix “J”**.

83. The Monitor needs to have transparency and oversight of any transaction related to the Westcastle GMC business, including any proceeds of sale that may be for the benefit of MK Auto, as 100% voting shareholder.

84. The Monitor is seeking an order directing full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of Westcastle GMC.

85. A copy of the Alberta corporate registry search for Westcastle Dealership and Westcastle Real Co are attached hereto as **Appendix “K”** and **Appendix “L”** respectively.

86. Following the Monitor’s Application materials being filed on November 5, 2025, the Monitor received email correspondence from Mr. Koch on November 7, 2025 with the debt balances of Westcastle GMC. This was one of the items previously requested by the Monitor, however to date the Monitor has not been provided with the remaining information requested.

MONITOR AND ITS COUNSEL’S FEES

87. Pursuant to paragraph 31 of the ARIIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges. Pursuant to paragraph 32 of the ARIIO, the Monitor and its counsel shall pass their accounts from time to time.

88. The Monitor seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Monitor and its counsel have maintained detailed records of their professional time and costs.

89. The Monitor’s fees from September 1, 2025, to October 31, 2025, were \$375,712.50, plus disbursements of \$14,242.73, plus GST of \$19,497.76 for a total of \$409,452.99.

90. Miller Thomson’s fees, as legal counsel to the Monitor, from September 1, 2025, to October 31 2025, were \$121,725.50, plus disbursements of \$469.86, plus GST of \$6,099.54 for a total of \$128,294.90.

91. A summary of the accounts rendered by the Monitor and its legal counsel is attached hereto as **Appendix “M”**. Detailed accounts are available for review by the Court upon request. The amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

92. It is the Monitor’s opinion that the fees and disbursements of the Monitor and Miller Thomson accurately reflect the work performed by the Monitor and Miller Thomson in connection with the administration of the CCAA Proceedings for the dates of their respective invoices. It is the Monitor’s opinion that the fees and disbursements of Miller Thomson are fair, reasonable and justified in the circumstances. The Monitor recommends approval of Miller Thomson’ accounts by this Court.

CONCLUSION

93. This Third Report has been prepared by the Monitor is in support of the Monitor’s Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor’s Application.

All of which is respectfully submitted this 7th day of November 2025.

**BDO CANADA LIMITED, in its capacity
as the Monitor of the Summit Auto Group, and
not in its corporate or personal capacity.**

Per:

A handwritten signature in black ink, appearing to read "Clark Lonergan", written in a cursive style.

**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Appendix “E” – Employee Termination Letter Issued by Mr. Koch



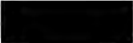
WESTCASTLE
CHEVROLET BUICK GMC



GMC

December 17, 2025



Dear 

Effective December 19, 2025, the Campbell Group (2672671 Alberta Ltd.) is purchasing Westcastle Chevrolet Buick GMC.

While Westcastle will continue operating with little interruption under the existing trade name, because the ownership has changed it is necessary that the current owner, 2412170 Alberta Ltd. terminate your employment as of the closing date. You will be paid for all time worked up to and including December 19, 2025 on December 24, 2025. Your final pay will also include all accrued vacation pay.

2672671 Alberta Ltd will be offering you employment as of the closing date on similar terms, with the same compensation, the same job description and a comparable employee benefit plan. This offer will follow under separate cover.

Thank you for your contributions, and best of luck with the Campbell Group.

Sincerely,



Michael Koch
Dealer Principal

Receipt Acknowledged,



2412170 ALBERTA LTD.
o/a WESTCASTLE CHEVROLET BUICK GMC
1100 WATERTON AVENUE, PINCHER CREEK, AB T0K 1W0
www.westcastlegm.net

PHONE 403 627-4266
FAX 403 627-5490

Appendix “F” – Employment Offer Letter Issued by the Westcastle Dealership Purchaser



WESTCASTLE
CHEVROLET BUICK GMC



GMC

Offer of Employment

Dated December 19 2025



Re: New Employment with Westcastle Chevrolet Buick GMC 2025

As of December 19th 2025 Westcastle Chevrolet Buick GMC is selling all of its assets and the CBG dealership business to a new corporation, called Westcastle Chevrolet Buick GMC 2025. As part of this transaction we have been advised by Westcastle Chevrolet Buick GMC that all of the current employees were given notice of the termination of their employment, with the final day of their employment being the close of business on December 19th 2025.

Westcastle Chevrolet Buick GMC 2025 wishes to offer you an employment position with the new dealership, and the terms of your position are set out below. Please note that this offer of employment is made on the understanding that this is a new employment situation, not a continuation of your previous employment with Westcastle Chevrolet Buick GMC.

2672671 ALBERTA LTD.
o/a WESTCASTLE CHEVROLET BUICK GMC 2025
1100 WATERTON AVENUE, PINCHER CREEK, AB T0K 1W0
www.westcastlegm.net

PHONE 403 627-4266
FAX 403 627-5490

-Employment start date: Your new employment will commence on December 19th 2025. There will be a 90 day probationary period as with all new employment.

-Benefits: We are proud to offer you coverage provided through Manulife, without any waiting period.

-Compensation:



-Job Description:



-Vacations:



-Policies and Procedures: You agree to abide by the policies and procedures of the Employer, which may be amended or implemented as we grow together.

Westcastle Chevrolet Buick GMC 2025


Rod McKenzie, Dealer Principal

I, [REDACTED] accept the offer of employment with Westcastle Chevrolet Buick GMC 2025 on the terms and conditions set out in this Offer of Employment.



Appendix “G” – AMVIC License of 129 AB

CARS ON WHYTE / THE LOAN STORE / AUTO FINANCE LEASE / AMERICAN FLEET

Legal Name: 1292709 ALBERTA LTD.
Trade Name: CARS ON WHYTE / THE LOAN STORE / AUTO FINANCE LEASE / AMERICAN FLEET
Licence Number: B2020848
Business Type: Corporation
Licence Status: Issued
Licence Expiry Date: Jun-30-2026

Business Address

Address Line 1: 10208 82 Ave NW
Address Line 2:
City: Edmonton
Province: Alberta
Postal Code: T6E 1Z7
Telephone: (780) 488-7900
Email Address: martin@edmontoncarsales.com
Website: N/A

Licensed Business Activities

Licensed Activity	Start Date
Used Sales	Jun-15-2018
Retail Sales	Jun-15-2018
Leasing	Jun-15-2018
Agent or Broker	Jun-15-2018

Salespeople

Name	Registration Number	Registration Status	Registration Expiry Date
Martin Hausner	S2014096	Expired	Oct-31-2025
Lee Grabas	S1037119	Issued	Sep-30-2026

Daina Lee Halisky	S1041423	Expired	Dec-31-2025
Tommy Szeto	S2040397	Expired	Apr-30-2025
Rhona Goodsir	S2040586	Expired	May-31-2024
Raymond Goldrich	S2031616	Expired	Jan-31-2025
Brent Verelli	S2019735	Issued	Mar-31-2026
Zineb Sadki	S2041432	Issued	Mar-31-2026
Harnoor Singh	S2046269	Issued	May-31-2026
Tevon Simpson	S2047370	Issued	Sep-30-2026
Colin Struth	S2043755	Issued	Jun-30-2026

Licence History

Licence history only reflects the history from 2021-03-16 to current.

Licence Status	Effective Date
Expired	Jun-30-2023
Issued	Jul-18-2025
Expired	Jun-30-2025

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(<https://www.amvic.org/contact-us/>)

Appendix “H” – Second CRO Report Dated January 4, 2026



Second Report of the Chief Restructuring Officer

January 4, 2026

Re: Summit Auto Group (the “**Companies**” or “**Summit**”)

PURPOSE

1. The purpose of this second report (the “**Second CRO Report**”) is to provide BDO Canada Limited, in its capacity as monitor of the Summit Auto Group (“**BDO**” or the “**Monitor**”), with observations arising from the involvement of Full Circle Automotive Solutions Inc., in its capacity as the chief restructuring officer (the “**CRO**” or “**Full Circle**”) of the Summit Auto Group and the subsequent appointment of Full Circle as director and officer of 2412170 Alberta Ltd. and 2416326 Alberta Ltd. o/a Westcastle Chevrolet Buick GMC (“**Westcastle GMC**” or “**WGMC**”).
2. This Second CRO Report is intended to assist the Monitor in understanding:
 - a. operational and transactional practices observed at Westcastle GMC;
 - b. areas of overlap and interconnectivity between Westcastle GMC and the Summit Auto Group; and
 - c. matters relevant to the Monitor’s oversight of Westcastle GMC in connection with its proposed inclusion of Westcastle GMC in the existing CCAA Proceedings.
3. Any terms not expressly defined herein shall have the meaning ascribed in the Fourth Report of the Monitor dated January 5, 2026 (the “**Fourth Report**”). The observations set out in this Second CRO report are based on information reviewed by the CRO, access to certain systems and records, and information provided to the CRO during the CRO’s work performed.

BACKGROUND AND CRO INVOLVEMENT

4. Full Circle was initially engaged by the Companies to assist with various operational and reporting requirements as required by the forbearance agreement entered into between the Companies and the Bank of Montreal (“**BMO**”) in July 2025 (the “**Forbearance Agreement**”). The CRO engagement continued with Summit Auto Group into the CCAA Proceedings commencing August 22, 2025 (the “**Filing Date**”). In its role, Full Circle became familiar with the operational, wholesale, and financing



practices across multiple of the Summit Auto Group's dealerships, including wholesale vehicle activity and third-party finance arrangements.

5. The CRO had multiple interactions with Westcastle GMC during its time as both advisors to the Companies and its formal CRO role during the CCAA Proceedings due to the Summit Auto Group's other dealership (Castle Ford) located beside Westcastle GMC in Pincher Creek, Alberta. These interactions primarily related to shared staff/resources between Westcastle GMC/Castle Ford and monitoring certain requirements under the Forbearance Agreement including, restricting BMO ring-fenced funding going into Westcastle GMC.
6. On December 19, 2025 ("**Close Date**"), following the closing of transactions involving the sale of the assets of Westcastle GMC (the "**Westcastle GMC Transactions**"), Mr. Lionel Robins, a representative of the CRO, was appointed as director and officer of Westcastle GMC (the "**D&O Appointment**").

VEHICLE WHOLESALE ACTIVITY

Wholesale Transactions Below Market Value

7. In reviewing wholesale activity at Westcastle GMC during calendar year 2025 (the "**WGMC Wholesale Transactions**"), the CRO noted multiple bulk wholesale transactions conducted under the direction of Mr. Michael Koch ("**Mr. Koch**") that were similar in nature to wholesale transactions previously identified at Summit Auto Group. These previously identified transactions were discussed as part of the first report by the CRO (the "**First CRO Report**"), attached hereto as Appendix "A". In the First CRO Report, the CRO previously identified concerns relating to wholesale transactions, including bulk wholesale activities conducted at prices that were under the market value, which adversely impacted liquidity of Summit Auto Group and increased the floorplan sold-in-violation ("**SIV**") exposures of BMO.
 - a. As an example, Westcastle GMC sold a 2023 Chevrolet Malibu with the vehicle identification number (the "**VIN**") 1G1ZD5ST8PF250490 to 227 AB (herein defined) on December 3, 2025, for approximately \$10,000.



Based on the CRO's review of available market information, the estimated fair market value of the vehicle at the time of sale was \$20,000 to \$21,000.

8. These WGMC Wholesale Transactions also involved several of the same wholesale counterparties previously observed in connection with Summit Auto Group's wholesale activities.
9. In several instances, vehicles sold on a wholesale basis remained subject to Toronto Dominion Bank ("TD Bank") floorplan financing at balances materially exceeding the wholesale sale price, resulting in repayment shortfall to TD Bank.

Timing of WGMC Wholesale Transactions

10. The CRO further observed that a significant portion of the WGMC Wholesale Transactions occurred after the Filing Date.
11. Prior to the Filing Date, the CRO had raised concerns with Mr. Koch regarding similar wholesale practices identified at Summit Auto Group dealerships, including the negative cash impact of selling vehicles this way, as in almost all cases, the wholesale sale prices of vehicles were materially lower than the required corresponding floor plan repayment.

Wholesale Purchases Above Market Value

12. Through the CRO's preliminary review of Westcastle GMC's wholesale purchases, the CRO observed instances in which vehicles were acquired through bulk wholesale at prices above market values for comparable vehicles at the time of purchase (the "WGMC Wholesale Purchases"). Based on the information reviewed to date, including available transaction records, the CRO did not identify an apparent commercial rationale for certain of these WGMC Wholesale Purchases.
 - a. As an example, the CRO observed that Westcastle GMC purchased a 2021 Ram 1500 Express with the VIN 1C6RR7LG7MS520406 from 1674030 Alberta Ltd. on November 24, 2025, for approximately \$33,500. Based on the CRO's review of available market information, the estimated wholesale



market value of the vehicle at the time of purchase was approximately \$20,000 to \$22,000.

13. The CRO notes that these WGMC Wholesale Purchases have an adverse impact on Westcastle GMC's liquidity, including by increasing inventory carrying costs and floorplan utilization without a corresponding increase in realizable value. These observations are part of the CRO's initial findings and remain subject to further review as additional records and information are obtained.

LOAN STORE TRANSACTIONS

14. Through the CRO's review of the Westcastle GMC Transactions materials, and prior knowledge of information summarized in an independent business review of Westcastle GMC, prepared by FTI Consulting Inc. (the "**FTI Report**") for TD Bank, the CRO observed a material variance between Westcastle GMC's vehicle inventory per the FTI Report as of October 31, 2025, and the inventory at the Closing Date. Per the FTI Report, Westcastle GMC's vehicle inventory was approximately \$5.03 million, while the value of vehicle inventory sold as part of the Westcastle GMC Transactions was approximately \$1.3 million lower. The CRO is in the process of reviewing this discrepancy in detail, we note that a part of the discrepancy may be for vehicles sold to Loan Store (herein defined) without consideration shortly before Closing Date.

- a. We note that, in the time leading up to the Closing Date, multiple vehicles were sold to 1292709 AB Ltd. ("**129 AB**"), or 2279148 AB Ltd. ("**227 AB**"), together with 129 AB, the "**Loan Store**"), which is believed to be affiliated with 129 AB.

15. As a result of these vehicles sold to Loan Store, the CRO observed that a number of vehicles that were financed under Westcastle GMC's TD Bank floorplan facility were essentially transferred to Loan Store without corresponding cash proceeds being received by Westcastle GMC and, accordingly, without the associated floorplan being repaid at the time of sale, thus creating additional SIV units for TD Bank.
16. As part of Westcastle GMC Transactions, a number of vehicles financed under Westcastle GMC's TD Bank floorplan facility did not get repaid, as the vehicles had



been sold prior to closing, but that the associated floorplan indebtedness had not been repaid from sale proceeds and the vehicles were not included in the assets transferred pursuant to the Westcastle GMC Transactions. As a result, TD Bank registered individual Personal Property Registry (“PPR”) security interests in respect of these vehicles (the “Unpaid TD Bank Vehicles”). A copy of the PPR is attached hereto as Appendix “B”.

17. The CRO reviewed the list of Unpaid TD Bank Vehicles subject to TD Bank’s PPR registrations. Based on this review, the CRO identified that at least twenty-six (26) of the Unpaid TD Bank Vehicles, with an aggregate TD Bank floorplan balance of approximately \$739,891 as of December 24, 2025, were sold to Loan Store without consideration. A copy of the list of the 26 Unpaid TD Bank Vehicles sold to Loan Store is attached hereto as Appendix “C”. The CRO continues to work with the Monitor to reconcile these transactions, inventory movements, and related funds flow.

18. Through preliminary review of WGMC Wholesale Transactions and WGMC Wholesale Purchases, the CRO also identified the involvement of Loan Store, where vehicles were either sold to Loan Store at below market prices, or purchased from Loan Store at above market prices.

- a. As an example, Westcastle GMC purchased a 2017 Silverado with the VIN 1GCVKREC7HZ168281 from 129 AB on August 29, 2025, for approximately \$24,000. The same vehicle was subsequently sold by Westcastle GMC on December 3, 2025, to 227 AB for approximately \$6,000. The CRO estimates that the market value of the 2017 Silverado at the time of acquisition was approximately \$10,000 to \$11,000.

CONNECTION BETWEEN WESTCASTLE GMC AND SUMMIT AUTO GROUP

19. Although Westcastle GMC was not a part of the CCAA Proceedings, the CRO had limited visibility in the Westcastle GMC activities through shared system access (including DealerTrack access), shared personnel and information requested by the Monitor.

20. Notwithstanding the foregoing, the CRO observed that shortly after third-party finance “pod” arrangements (“**Financing Pod(s)**”) were terminated across Summit Auto Group dealerships, certain of those same third parties were granted access to Westcastle GMC’s finance portal to continue the Financing Pods. See the First CRO Report for more information on the Financing Pods.
21. Based on information reviewed, the Financing Pod entities that had previous arrangements with the Summit Auto Group, including Spinny Cars Ltd. (“**Spinny Cars**”) and Great North Finance Inc. (“**GNAF**”, owned by Mr. Blake Tibbo), appeared to continue similar arrangements at Westcastle GMC after the Filing Date (moving this activity out of the CCAA Proceedings to a dealership still under the control of Mr. Koch).
22. Access records reviewed by the CRO indicated that both Mr. Blake Tibbo (“**Mr. Tibbo**”) and his spouse had active DealerTrack credentials associated with Westcastle GMC.

Connection Through Mr. Tibbo

23. In the course of the CRO’s work, Mr. Tibbo advised the CRO that he intended to “buy into” Westcastle GMC in the amount of approximately \$500,000, initially structured as a loan to Mr. Koch, which Mr. Koch represented as funds provided by himself to TD Bank. This appeared unusual to the CRO, given that Westcastle GMC was being actively marketed by a sales agent to be sold, and Mr. Tibbo was not an active buyer as part of that sales process.
24. The CRO was advised that, at the time, this proposed buy-in had not been disclosed to the manufacturer or to TD Bank.
25. Separately, while examining the Financing Pods activity within the Summit Auto Group, the CRO was provided with documentation indicating that a Financing Pod entity, Spinny Cars, had advanced a personal loan to Mr. Tibbo in the amount of approximately \$150,000. The loan agreement reviewed by the CRO indicated that:
- a. Mr. Tibbo represented himself as an owner or managing partner of Squamish Chrysler, which the CRO understands not to be the case; and



- b. the loan was collateralized by shares in Westcastle GMC and included profit-sharing or bonus arrangements tied to Westcastle GMC's finance activity.

Spinny Cars Arrangement

26. Based on the CRO's review of the Spinny Cars partnership agreement (the "**Spinny Agreement**"), the agreement contemplated, among other things, (i) a personal loan or investment by Spinny Cars to Mr. Tibbo, (ii) representations that Mr. Tibbo would acquire an equity interest of 20% in Westcastle GMC and would act as a "managing partner," (iii) the payment of profit based amounts or sale-related proceeds to Spinny Car, and (iv) ongoing access by Spinny to dealer systems, portals, and inventory.
27. The Spinny Agreement contemplates an initial advance by Spinny Cars to Mr. Tibbo in the amount of approximately \$150,000 (the "**Initial Advance**"), described as an investment or loan intended to facilitate Mr. Tibbo's participation in Westcastle GMC. The agreement further contemplates that, until such time as the advance is repaid, Spinny will provide consultancy and operational support services to Westcastle GMC.
- a. The agreement provides that, following the end of Spinny Car's consultancy services, and for so long as the Initial Advance remains outstanding, Mr. Tibbo would be responsible for paying Spinny Cars an amount equal to 4% of profits generated by Westcastle GMC during the period in which the Initial Advance was not returned.
 - b. The agreement further gives Spinny Cars the right, in certain circumstances, to convert the outstanding Initial Advance into an equity interest in Westcastle GMC. In that event, this contemplates that Mr. Tibbo would transfer to Spinny Cars 4% of his represented 20% equity interest in Westcastle GMC in satisfaction of the outstanding Initial Advance.
28. The partnership agreement also references arrangements involving other dealerships, including Squamish Chrysler Dodge Jeep Ram, and contemplates that Mr. Tibbo or related entities may receive payments or economic benefits in connection with pod transactions processed through those dealerships.



29. To the CRO's knowledge, Mr. Tibbo did not have the authority to bind Westcastle GMC to the Spinny Agreement, as Mr. Tibbo was not an owner or authorized signer of Westcastle GMC.

Management and Personnel

30. During the period leading up to the closing of Westcastle GMC Transactions, management oversight, and operational decision-making at Westcastle GMC and certain Summit Auto Group dealerships appeared to be centralized among a small group of individuals and supported by shared personnel and resources.

31. In particular, the CRO observed that Mr. Don Liddell ("**Mr. Liddell**") was actively involved in management and operational decision-making across both Summit Auto Group dealerships and Westcastle GMC. Mr. Liddell, while employed by Summit Auto Group (and on stress leave from Summit), acted as a contracted controller for Westcastle GMC and was involved in financial oversight, and discussions relating to the sale process. Based on the CRO's observations and understanding, Mr. Koch and Mr. Liddell collectively exercised primary management and financial control over Westcastle GMC leading up to the Westcastle GMC Transaction.

32. The CRO became aware that, in the period leading up to the Closing Date, informal management and staffing arrangements were initiated by Mr. Koch, including the engagement of interim personnel without clear reporting lines, documentation, or integration into Westcastle GMC's ordinary payroll and control processes. In at least one instance, compensation discussions referred payment structures outside ordinary payroll processes and in connection with the anticipated transaction proceeds. These observations are noted as further examples of limited governance formality and transparency at Westcastle GMC during the relevant period.

33. Separately, the CRO notes that Ms. Jill Foster ("**Ms. Foster**") continued to perform accounting and operational support functions at Castle Ford, a dealership included in the CCAA Proceedings, on a part-time basis while also performing work for Westcastle GMC during the same period. Ms. Foster has longstanding familiarity with the Westcastle GMC operation, including familiarity predating Mr. Koch's ownership of



the dealership. The CRO notes Ms. Foster's involvement as one of a few examples of personnel and operational resources being shared between Westcastle GMC and Summit Auto Group dealerships during the relevant period.

34. Taken together, the observations indicate that management attention, financial oversight, and operational resources were intertwined between Westcastle GMC and Summit Auto Group dealerships during the period leading up to the closing of Westcastle GMC Transaction.

CONCLUSION

35. Following the CRO's D&O Appointment of Westcastle GMC and based on our prior involvement with the Summit Auto Group and initial review of Westcastle GMC's operations, the CRO identified operational, governance, and personnel practices that support the Monitor's oversight over Westcastle GMC.
36. In particular, the CRO observed that management oversight, decision-making, and personnel resources at Westcastle GMC were not clearly segregated from those of Summit Auto Group dealerships, and that certain wholesale practices, third-party finance arrangements, and fund flows involved individuals and parties active across both Westcastle GMC and Summit Auto Group.
37. The CRO further observed that representations and financing arrangements involving Mr. Tibbo, together with limited transparency regarding certain transactions and compensation arrangements, contributed to an opaque operational and financial environment during the period leading up to the closing of the Westcastle GMC Transaction.
38. These initial observations are provided to assist the Monitor in understanding the operational and governance environment, and degree of interconnectivity between Westcastle GMC and the Summit Auto Group. Taken together, the above-mentioned findings strongly support the Monitor's necessity of the inclusion of Westcastle GMC in the CCAA Proceedings



FULL CIRCLE AUTOMOTIVE SOLUTIONS INC.

In its capacity as Chief Restructuring Officer of Summit Auto Group

and not in its personal capacity

Per:

Lionel Robins

Lionel Robins

President / Director of Operations of Full Circle Automotive Solutions Inc.



Appendix “A”



Report of the Chief Restructuring Officer

September 9, 2025

Re: Summit Auto Group (the “Companies”)

PURPOSE

1. The purpose of this report (the “**CRO Report**”) is to provide the BDO Canada Limited, in its capacity as the Monitor of Summit Auto Group (“**BDO**” or the “**Monitor**”) with information regarding certain financial irregularities and operational practices observed within Summit Auto Group by Full Circle Automotive Solutions Inc., in its capacity as the chief restructuring officer of the Companies (the “**CRO**” or “**Full Circle**”). These irregularities and practices, in the opinion of the CRO, presents significant risks to the Companies’ senior secured lender, the Bank of Montreal (“**BMO**”), and other stakeholders.
2. Any terms not expressly defined herein shall have the meaning ascribed in the second report of the Monitor.

DOCUMENT DISPOSAL – VERMILION CHRYSLER

3. Employees of Full Circle observed staff at Vermilion Chrysler discarding large volumes of company documents, including original deal files by shredding and tearing these documents before placing them in the dealership’s recycling bin.
4. The CRO team retrieved and secured the discarded materials, which are now stored at Full Circle’s Calgary office. A preliminary review has identified that certain Pod Deals (herein defined) files contained reported gross profits materially higher than industry norms, raising concerns regarding the structuring and reporting of those transactions.

WHOLESALE VEHICLE TRANSACTIONS – UNDISCLOSED REVENUE ARRANGEMENTS

5. The CRO’s review of the Companies’ wholesale activities has identified substantial losses associated with wholesale vehicle transactions conducted by Mike Koch (“**Mike**”) with a limited group of wholesalers (the “**Wholesale Transactions**”).



6. On August 8, 2025, one such transaction resulted in a net loss of approximately \$132,000 on eight (8) vehicles.
7. Records reviewed show that wholesalers acquired units at values materially below fair market value, and in certain cases resold the same vehicles at significantly higher prices within days. For example, one unit was resold for \$8,400 more than the purchase price. Standard wholesale margins are typically within the range of \$500–\$1,000 per unit. These findings suggest the existence of undisclosed revenue-sharing arrangements behind Wholesale Transactions that benefited third parties at the expense of the Companies and its stakeholders, including BMO.
8. Losses attributable to Wholesale Transactions over the past several months exceeded \$1 million. No credible business rationale has been provided for sales executed at such steep discounts.

FINANCE POD AGREEMENTS – FRAUD AND COMPLIANCE RISK

9. Multiple dealerships within Summit Auto Group have entered into third-party finance pod agreements, whereby third parties are allowed to use the Companies' dealer finance portals to submit applications for auto loans to financial institutions, in return for a share of the deal profit to be made by Summit Auto Group (the "**Pod Deals**"). The Pod Deals are done with limited documentation and oversight, which has exposed the Companies to significant financial and regulatory risk.
10. The CRO has identified the following concerns regarding the Pod Deals:
 - a. Breach of agreements: Several financial institutions and OEM agreements explicitly prohibit third-party financing arrangements of this nature. At least one lender has already exercised its right to terminate financing availability to the Companies, thereby impairing the Companies' ability to retail finance vehicles;
 - b. Fraudulent practices: Deal file reviews by the CRO indicate falsified credit applications, including inflated income declarations, misrepresented employment, and inaccurate residency information. Under standard lender



agreements, such practices may result in full loan repurchase obligations where collateral recovery is not possible; and

- c. Dealer liability without customer engagement: In most Pod Deals, dealerships did not interact directly with end customers. This has compounded repossession challenges and contributed to multiple confirmed lender chargebacks.

11. The abovementioned items have resulted in the Royal Bank of Canada (“RBC”) to suspend all activity with Summit Auto Group until further notice.

PARTNERSHIP BETWEEN MIKE KOCH AND CERTAIN BROKERS - GOVERNANCE AND REGULATORY EXPOSURE

12. The CRO’s review identified financial arrangements between Mike and certain brokers, which create material governance and regulatory concerns.

13. Evidence indicates that these brokers represented themselves as managing partner(s) of Squamish Chrysler, executing Pod Deals that directed financial benefits to those brokers while leaving the dealership exposed to all associated risks.

14. A reviewed contract between certain of these brokers provided for a \$150,000 loan advance, with repayment terms tied to dealership finance activities. These funds were subsequently diverted to related entities outside of the BMO debt structure.

15. Notwithstanding operational losses across the Companies, we believe these brokers have received personal commissions and other financial benefits, while the Companies absorbed corresponding losses.

16. The CRO is further advised that multiple consumer complaints and active regulatory investigations have been initiated by the Vehicle Sales Authority of British Columbia and the Alberta Motor Vehicle Industry Council. Matters under review include prohibited practices such as excessive cash-back financing. Certain investigations have already resulted in fines and restitution orders.



CONCLUSION

17. Based on the matters set out above, the CRO has identified material irregularities in operations, sales practices, and financial management within Summit Auto Group. These practices have already resulted in cumulative wholesale losses exceeding \$1 million, increased regulatory and lender risk, and contributed to the erosion of BMO's collateral base. The CRO recommends further investigative efforts and the implementation of immediate corrective measures to mitigate further financial harm.

FULL CIRCLE AUTOMOTIVE SOLUTIONS INC.

In its capacity as Chief Restructuring Officer of Summit Auto Group
and not in its personal capacity

Per:

Lionel Robins

Lionel Robins

President / Director of Operations of Full Circle Automotive Solutions Inc.



Appendix “B”

Search ID #: Z19566667

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #:

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Business Debtor Search For:

2412170 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 22072017590

Registration Date: 2022-Jul-20

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Jul-20 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

25092312544

Amendment

2025-Sep-23

Debtor(s)**Block****Status**

1 2412170 ALBERTA LTD.
2032 CRANBROOK STREET N.
CRANBROOK, BC V1C 3T1

Current

Block**Status**

2 WESTCASTLE CHEVROLET BUICK GMC
2032 CRANBROOK STREET N.
CRANBROOK, BC V1C 3T1

Current by
25092312544**Secured Party / Parties****Block****Status**

1 THE TORONTO-DOMINION BANK
421 - 7TH AVENUE SW, 10TH FLOOR
CALGARY, AB T2P 4K9
Email: abautonsp@teranet.ca

Current

Collateral: Serial Number Goods**Block****Serial Number****Year****Make and Model****Category****Status**

1 SY006MCC76968 2024 Sany SY60 Excavator

MV - Motor Vehicle

Current By
25092312544

2 1GCRDAED1RZ285815 2024 Chevrolet Silverado

MV - Motor Vehicle

Current By
25092312544

Search ID #: Z19566667

3	3GKALYEG1RL220106	2024	GMC Terrain	MV - Motor Vehicle	Current By 25092312544
4	3GKALMEG5RL350642	2024	GMC Terrain	MV - Motor Vehicle	Current By 25092312544
5	1GCPDDEK2RZ288861	2024	Chevrolet Silverado	MV - Motor Vehicle	Current By 25092312544
6	3GKALUEG1TL135282	2026	GMC Terrain	MV - Motor Vehicle	Current By 25092312544

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current
2	Proceeds: all of the debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).	Current By 25092312544

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 22072017620

Registration Date: 2022-Jul-20

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Jul-20 23:59:59

Exact Match on:

Debtor

No: 2

Debtor(s)

Block

Status

Current

1 LIDDELL, DONALD, EDWARD
10621 - 124 STREET
EDMONTON, AB T5N 1S5

Block

Status

Current

2 2412170 ALBERTA LTD.
2032 CRANBROOK STREET N.
CRANBROOK, BC V1C 3T1

Block

Status

Current

3 KOCH, MICHAEL, J.
2034 CRANBROOK STREET N.
CRANBROOK, BC V1C 3T1

Birth Date:
1979-Feb-24

Secured Party / Parties

Block

Status

Current

1 THE TORONTO-DOMINION BANK
421 - 7TH AVENUE SW, 10TH FLOOR
CALGARY, AB T2P 4K9
Email: abautonsp@teranet.ca

Search ID #: Z19566667

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ANY AND ALL PRESENT AND FUTURE ACCOUNTS, MONIES AND ALL OTHER INDEBTEDNESS, OBLIGATIONS, AND LIABILITIES OF ANY KIND, DIRECT OR INDIRECT, ABSOLUTE OR CONTINGENT, JOINT OR SEVERAL OF 2416326 ALBERTA LTD. WHICH ARE NOW OR HEREAFTER OWED TO THE DEBTOR AND ALL INSTRUMENTS, DOCUMENTS, AGREEMENTS, CHOSSES IN ACTION, CLAIMS AND/OR DEMANDS IN RESPECT OF THEREOF, OR IN ANY WAY RELATED THERETO.	Current
2	PROCEEDS: ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	Current

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 22120810732

Registration Date: 2022-Dec-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Dec-08 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2412170 ALBERTA LTD.
1100 WATERTON AVENUE, P.O. BOX 490
PINCHER CREEK, AB T0K1W0

Block

Status

Current

2 WESTCASTLE CHEVROLET BUICK GMC
1100 WATERTON AVENUE, P.O. BOX 490
PINCHER CREEK, AB T0K1W0

Secured Party / Parties

Block

Status

Current

1 PATTISON SIGN GROUP, A DIVISION OF JIM PATTISON INDUSTRIES LTD.
555 ELLESMERE RD.
TORONTO, ON M1R4E8
Email: SGRAGORIAN@PATTISONSIGN.COM

Collateral: General

Block

Description

Status

1 SIGNAGE AS PER CONTRACTS GMN082484-01N GMN082484-02N GMN082484-03N
GMN082484-04N GMN082484-05N GMN082484-06N GMN082484-07N GMN082484-
08N
GMN082484-09N GMN082484-10N GMN082484-11N

Current

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 24090324454

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Sep-03

Registration Status: Current

Expiry Date: 2034-Sep-03 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2412170 ALBERTA LTD.
1100 WATERTON AVENUE
PINCHER CREEK, AB T0K1W0

Secured Party / Parties

Block

Status

Current

1 GENERAL MOTORS FINANCIAL OF CANADA, LTD.
2001 SHEPPARD AVE E, SUITE-600
TORONTO, ON M2J 4Z8
Email: albertaprod@teranet.ca

Block

Status

Current

2 GM FINANCIAL CANADA LEASING LTD
2001 SHEPPARD AVE E., SUITE 600
TORONTO, ON M2J 4Z8
Email: albertaprod@teranet.ca

Search ID #: Z19566667

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	All of the Debtor's right, title and interest in, to and under the accounts and chattel paper assigned by the Debtor to the Secured Party from time to time, including, without limitation, all of the Debtor's present and after-acquired right, title and interest in (a) all rights and benefits accruing, and authorizations provided, under such accounts and chattel paper, (b) all payments of any nature and kind, guarantees, promissory notes and indemnity payments related to such accounts and chattel paper, (c) all goods relating to such accounts and chattel paper and the benefit of all covenants and indemnities with respect to such goods, (d) all claims, demands, actions, damages and indemnities of any nature and kind under such accounts and chattel paper, (e) the right to ask, demand, sue for, collect, receive and enforce any and all sums payable under such accounts and chattel paper and to enforce all other covenants, obligations, rights and remedies thereunder, and (f) all contracts, books, records, reports and other documents and information pertaining to such accounts and chattel paper, together in each case with (i) all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing, (ii) all proceeds in any form derived directly or indirectly from any dealing with any or all of the foregoing and (iii) all insurance proceeds and all rights to an insurance payment or any other payment that indemnifies or compensates for loss or damage to the foregoing or proceeds of the foregoing.	Current

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 25063014696

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-Jun-30

Registration Status: Current

Expiry Date: 2028-Jun-30 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 2412170 ALBERTA LTD.
1100 WATERTON AVENUE, P.O. BOX 490
PINCHER CREEK, AB T0K1W0

Current

Block

Status

2 WESTCASTLE CHEVROLET BUICK GMC
1100 WATERTON AVENUE, P.O. BOX 490
PINCHER CREEK, AB T0K1W0

Current

Secured Party / Parties

Block

Status

1 PATTISON ID, A DIVISION OF JIM PATTISON INDUSTRIES LTD.
1655 FELDSPAR CT
PICKERING, ON L1W3R7
Email: GCHOI@PATTISONID.COM

Current

Collateral: General

Block

Description

Status

1 SIGNAGE AS PER CONTRACT # GMF082484LED-01&GMF082484LED-02

Current

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 25092312605

Registration Date: 2025-Sep-23

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2412170 ALBERTA LTD.
2032 CRANBROOK STREET N.
CRANBROOK, BC V1C 3T1

Secured Party / Parties

Block

Status

Current

1 THE TORONTO-DOMINION BANK
421 - 7TH AVE SW, 10TH FLOOR
CALGARY, AB T2P4K9
Email: tdcomm@td.com

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 25092906218

Registration Date: 2025-Sep-29

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2035-Sep-29 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 2412170 ALBERTA LTD.
1100 WATERTON AVENUE
PINCHER CREEK, AB T0K 1W0

Current

Secured Party / Parties

Block

Status

1 GREAT NORTH AUTO AND FINANCING LTD.
4107 1111 ALBERNI STREET
VANCOUVER, BC V6E 1A4
Email: BLAKE@GREATNORTHFINANCE.COM

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.
PROCEEDS: ACCOUNTS, CASH, CHATTEL PAPER, INTANGIBLES, GOODS,
INSURANCE PROCEEDS, CHEQUES, DOCUMENTS OF TITLE, INSTRUMENTS,
SECURITIES, TRADE-INS AND ALL OTHER SUBSTITUTIONS OF ANY KIND
WHATSOEVER DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH
THE GENERAL COLLATERAL OR PROCEEDS THEREFROM.

Current

Search ID #: Z19566667

Business Debtor Search For:

2412170 ALBERTA LTD.

Search ID #: Z19566667

Date of Search: 2025-Dec-31

Time of Search: 09:43:08

Registration Number: 25122320954

Registration Date: 2025-Dec-23

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2030-Dec-23 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 2412170 ALBERTA LTD.
1100 WATERTON AVENUE
PINCHER CREEK, AB T0K 1W0

Current

Secured Party / Parties**Block****Status**

1 THE TORONTO-DOMINION BANK
100 WELLINGTON STREET W., 26TH FLR.
TORONTO, ON M5K 1A2
Email: wassim.heematally@td.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1C6RR7GT7MS571444	2021	RAM 1500 CLASSIC	MV - Motor Vehicle	Current
2	1C6RR7LG7MS520406	2021	RAM 1500 CLASSIC	MV - Motor Vehicle	Current
3	1C6RR7LM4KS705290	2019	RAM 1500 CLASSIC	MV - Motor Vehicle	Current
4	1GCZGHFG6L1137707	2020	CHEVROLET EXPRESS CARGO	MV - Motor Vehicle	Current
5	3C4NJDAB2MT509364	2021	JEEP COMPASS	MV - Motor Vehicle	Current
6	JA4ATVAAXNZ611649	2022	MITSUBISHI ECLIPSE CROSS	MV - Motor Vehicle	Current
7	1C6SRFBT2KN888630	2019	RAM 1500	MV - Motor Vehicle	Current
8	1FMJK1MT2MEA10137	2021	FORD EXPEDITION MAX	MV - Motor Vehicle	Current
9	2HGFC2F57KH027387	2019	HONDA CIVIC	MV - Motor Vehicle	Current

Search ID #: Z19566667

10	3C4NJDAN8RT594549	2024	JEEP COMPASS	MV - Motor Vehicle	Current
11	3KPF44AC7PE586437	2023	KIA FORTE	MV - Motor Vehicle	Current
12	KNDMB5C11K6454061	2019	KIA SEDONA	MV - Motor Vehicle	Current
13	1C6SRFET4KN729314	2019	RAM 1500	MV - Motor Vehicle	Current
14	3C4PDCABXKT763993	2019	DODGE JOURNEY	MV - Motor Vehicle	Current
15	1C4RJFAGXMC528765	2021	JEEP GRAND CHEROKEE	MV - Motor Vehicle	Current
16	1C6RR7FT4KS712842	2019	RAM 1500 CLASSIC	MV - Motor Vehicle	Current
17	3KPA25AD1NE453930	2020	KIA RIO	MV - Motor Vehicle	Current
18	3KPA25AD8NE498878	2022	KIA RIO	MV - Motor Vehicle	Current
19	5XYPGDA36LG687056	2020	KIA SORENTO	MV - Motor Vehicle	Current
20	JTMABABA0PA009571	2023	SUBARU SOLTERRA	MV - Motor Vehicle	Current
21	2GC4YTEYXN1221370	2022	CHEVROLET SILVERADO 3500	MV - Motor Vehicle	Current
22	3GKALMEG5RL350642	2024	GMC TERRAIN	MV - Motor Vehicle	Current
23	1C6RR7FG7KS594689	2019	RAM 1500 CLASSIC	MV - Motor Vehicle	Current
24	2C4RC1S77RR115468	2024	CHRYSLER PACIFICA	MV - Motor Vehicle	Current
25	1G1ZD5ST8PF250490	2023	CHEVROLET MALIBU	MV - Motor Vehicle	Current
26	1N6ED1CM2PN603928	2023	NISSAN FRONTIER	MV - Motor Vehicle	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	THE COMPLETE ADDRESS OF THE SECURED PARTY IS: TD WEST TOWER, 100 WELLINGTON STREET WEST, 26TH FLOOR TORONTO ON M5K 1A2	Current

Result Complete



Appendix “C”

List of Unpaid TD Bank Vehicles Sold to Loan Store

VIN	Year	Make	Model	Sold to	TD Floorplan Amount
3GKALMEG5RL350642	2024	GMC	Terrain	227 AB	32,414
1C6RR7GT7MS571444	2021	Ram	1500 Classic	129 AB	18,792
1C6RR7LG7MS520406	2021	Ram	1500 Classic	129 AB	27,039
1C6RR7LM4KS705290	2019	Ram	1500 Classic	129 AB	19,535
1GCZGHFG6L1137707	2020	Chev	Express Cargo	129 AB	31,500
3C4NJDAB2MT509364	2021	Jeep	Compass	129 AB	15,746
JA4ATVAAXNZ611649	2022	Mitsubishi	Eclipse Cross	129 AB	23,142
1C6SRFBT2KN888630	2019	Ram	1500	129 AB	29,000
1FMJK1MT2MEA10137	2021	Ford	Expedition Max	129 AB	46,000
2HGFC2F57KH027387	2019	Honda	Civic	129 AB	15,000
3C4NJDAN8RT594549	2024	Jeep	Compass	129 AB	24,000
3KPF44AC7PE586437	2023	Kia	Forte	129 AB	24,000
KNDMB5C11K6454061	2019	Kia	Sedona	129 AB	10,431
1C6SRFET4KN729314	2019	Ram	1500	129 AB	41,000
3C4PDCABXKT763993	2019	Dodge	Journey	129 AB	18,000
1C4RJFAGXMC528765	2021	Jeep	Grand Cherokee	129 AB	35,700
1C6RR7FT4KS712842	2019	Ram	1500 Classic	129 AB	27,300
3KPA25AD1NE453930	2020	Kia	Rio	129 AB	24,675
3KPA25AD8NE498878	2022	Kia	Rio	129 AB	24,675
5XYPGDA36LG687056	2020	Kia	Sorento	129 AB	21,000
JTMABABA0PA009571	2023	Subaru	Solterra	129 AB	39,900
2GC4YTEYXN1221370	2022	Chev	Silverado 3500	227 AB	59,693
1C6RR7FG7KS594689	2019	Ram	1500 Classic	227 AB	6,434
2C4RCIS77RR115468	2024	Chrysler	Pacifica	227 AB	60,375
1G1ZD5ST8PF250490	2023	Chev	Malibu	227 AB	24,700
1N6ED1CM2PN603928	2023	Nissan	Frontier	227 AB	39,840
Total					739,891

Note 1

Note 1 - TD Bank floorplan balance is as at December 24, 2025.

**Appendix “I” – Revised Cash Flow Forecast for the Period November 3, 2025, to
February 1, 2026**

2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD. (THE "COMPANIES" OR "SUMMIT AUTO GROUP")

COMBINED CASH FLOW FORECAST FOR THE PERIOD
NOVEMBER 3, 2025 TO FEBRUARY 1, 2026
PRESENTED IN CANADIAN DOLLARS (\$CAD)

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Week Ending		11/9/2025	11/16/2025	11/23/2025	11/30/2025	12/7/2025	12/14/2025	12/21/2025	12/28/2025	1/4/2026	1/11/2026	1/18/2026	1/25/2026	2/1/2026	
Receipts	Notes														
New Vehicle Sales	1	779,890	533,143	649,908	636,692	731,147	499,822	609,289	596,898	731,147	599,305	588,573	627,341	722,077	8,305,230
Used Vehicle Sales	1	226,776	142,780	188,980	197,384	212,603	133,856	177,169	185,048	212,603	164,698	190,658	212,454	232,056	2,477,063
Parts & Service Sales	2	102,320	101,634	104,530	96,232	152,320	101,634	104,530	96,232	102,320	101,634	67,626	63,200	67,799	1,262,010
GST/PST Collected	3	114,180	76,989	96,892	98,308	107,656	72,774	91,456	92,736	107,656	86,703	93,274	101,218	112,375	1,252,217
Total Receipts		1,223,165	854,546	1,040,310	1,028,616	1,203,725	808,086	982,443	970,915	1,153,725	952,339	940,130	1,004,213	1,134,307	13,296,520
Operating Disbursements															
Finance Product Costs	4	8,053	5,407	6,711	6,673	7,550	5,069	6,292	6,256	7,550	6,112	6,234	6,718	7,633	86,258
Lien Payouts	5	201,891	111,993	168,243	190,844	199,820	110,267	166,517	189,463	199,820	113,719	158,121	183,570	190,980	2,185,246
Vehicle Purchases	6	101,388	125,833	125,111	141,562	95,052	117,969	117,292	141,562	114,600	116,885	125,969	143,120	150,172	1,616,516
Parts Purchases	7	25,042	23,073	24,057	24,057	22,664	20,695	19,302	19,302	18,701	16,732	12,540	12,540	13,525	252,230
Payroll (Including Taxes)	8	-	145,298	-	-	290,595	-	145,298	-	346,176	-	100,550	-	201,100	1,229,017
Employee Benefits	9	-	19,973	-	-	-	-	19,973	-	-	-	11,595	-	-	51,542
Consultants Fees	10	-	24,000	-	-	-	-	24,000	-	-	-	24,000	-	-	72,000
Corporate Credit Card Repayment	11	-	-	75,000	-	-	-	75,000	-	-	-	75,000	-	-	225,000
Vendor Payments	12	33,792	127,616	33,795	33,795	33,795	127,616	33,795	33,795	33,795	103,616	50,007	26,007	26,007	697,432
Rent Payments	13	55,289	-	-	-	55,289	-	-	-	55,289	-	-	-	-	165,867
Insurance Payments	14	25,996	-	22,576	-	-	4,500	22,576	-	-	4,500	14,335	-	-	94,483
Professionals & Restructuring Costs	15	515,000	-	95,000	-	150,000	-	155,000	-	150,000	-	80,000	-	195,000	1,340,000
Contingency	16	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	15,000	15,000	15,000	245,000
GST/PST Paid	17	82,577	29,305	40,275	19,990	38,131	27,618	48,562	19,584	39,161	24,323	23,607	15,745	17,852	426,731
GST/PST Remittance (Refund)	18	-	-	-	-	248,793	-	-	-	263,759	-	-	-	321,055	833,607
Debt Service															
Floor Plan Payments to/(from) BMO	19	1,424,402	343,620	450,335	466,983	496,080	316,870	413,400	427,250	496,080	416,204	483,472	539,638	588,273	6,862,607
BMO Floor Plan Interest	20	145,920	-	-	-	140,000	-	-	-	140,000	-	-	-	-	425,920
Bank Fees and Charges	21	-	20,917	-	-	-	-	20,917	-	-	-	10,420	-	-	52,254
Total Disbursements		2,639,350	997,035	1,061,104	903,905	1,797,769	750,604	1,287,923	857,212	1,884,932	822,090	1,190,850	942,339	1,726,596	16,861,709
Net Cash Inflow/(Outflow)		(1,416,185)	(142,489)	(20,794)	124,711	(594,045)	57,483	(305,480)	113,703	(731,207)	130,249	(250,720)	61,874	(592,290)	
Cumulative Net Cash Flow		(1,416,185)	(1,558,674)	(1,579,468)	(1,454,757)	(2,048,801)	(1,991,318)	(2,296,798)	(2,183,095)	(2,914,302)	(2,784,053)	(3,034,773)	(2,972,899)	(3,565,189)	(3,565,189)
Opening Cash Balance		69,261	(1,346,924)	(1,489,413)	(1,510,207)	(1,385,496)	(1,979,540)	(1,922,057)	(2,227,537)	(2,113,834)	(2,845,041)	(2,714,792)	(2,965,512)	(2,903,638)	69,261
Net Cash Inflow/(Outflow)		(1,416,185)	(142,489)	(20,794)	124,711	(594,045)	57,483	(305,480)	113,703	(731,207)	130,249	(250,720)	61,874	(592,290)	(3,565,189)
Closing Cash Balance	22	(1,346,924)	(1,489,413)	(1,510,207)	(1,385,496)	(1,979,540)	(1,922,057)	(2,227,537)	(2,113,834)	(2,845,041)	(2,714,792)	(2,965,512)	(2,903,638)	(3,495,928)	(3,495,928)

COMBINED CASH FLOW FORECAST FOR THE PERIOD

NOVEMBER 3, 2025 TO FEBRUARY 1, 2026

PRESENTED IN CANADIAN DOLLARS (\$CAD)

Notes to the Unaudited 13-Week Cash Flow Forecast of the Debtors

In preparing this cash flow forecast (the "13-Week Cash Flow Forecast") the Chief Restructuring Officer (the "CRO") of Summit Auto Group have relied upon unaudited financial information and the CRO have not attempted to further verify the accuracy or completeness of such information. The 13-Week Cash Flow Forecast includes estimates concerning the operations of Summit Auto Group and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act ("CCAA") filing. Since the 13-Week Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the 13-Week Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Overview

The 13-Week Cash Flow Forecast includes the receipts and disbursements of Summit Auto Group during the 13-Week Cash Flow Forecast period. The CRO, with the assistance of BDO Canada Limited in its capacity as the monitor of the Debtors (the "Monitor") have prepared the 13-Week Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings. The 13-Week Cash Flow Forecast excludes any amounts or proceeds expected to be realized from the sale of assets pursuant to the "SISP".

Assumptions:

- 1 Estimated vehicle sales considering the Companies' sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle reflective of the holiday season.
- 2 Parts and service sales calculated based on past sales figures and sales mix. In later weeks, parts sales are increased to reflect realization efforts on remaining parts inventory not acquired by purchasers under the "SISP".
- 3 GST and PST collected on receipts.
- 4 Costs related to finance products sold (warranties, car packages, credit insurance) as part of vehicle sales.
- 5 Projected lien payouts calculated based on forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 6 Vehicle purchases (including dealer trades taken in) are for immediate resale to the customers, with proceeds reflected for each subsequent week through vehicle sales.
- 7 Calculated using historical average gross margin on projected parts sales. Figures in later weeks assume the ramp down of parts purchases in an effort to deplete existing inventory.
- 8 Payroll made up of salaried employees, hourly employees, and contractor amounts. Employee payroll is administered twice a month through an external service provider. Payroll at month end is higher as sales commissions are paid out. Additional payroll included in December Month end relating to year end vacation payouts.
- 9 Continuation of employee benefit plan with the Companies' current insurance provider.
- 10 External consultants brought-in by the CRO to help stabilize the operation of dealerships.
- 11 Periodic repayment of the BMO Mastercard used for operating expenses.
- 12 Payment of go-forward vendor payments, consistent with past weekly run rate.
- 13 Rent payments to third party landlords of Squamish Chrysler, Cranbrook Mitsubishi, and Western Sports Products.
- 14 Continuation of insurance policy premiums to be paid as scheduled.
- 15 Costs of the Monitor and its counsel, the CRO, the Companies' counsel, the sales agent, and BMO's counsel.
- 16 Contingency is assumed to cover unanticipated costs.
- 17 GST and PST paid on disbursements.
- 18 GST and PST remittance paid monthly for previous month's net GST collected and PST collected.
- 19 Represents the net of principal repayment of floor line financing on vehicles sold and/or financing provided for purchase of vehicles or trade ins.
- 20 Estimated based on latest floor line principal balance and the interest rate as stated in its loan agreement.
- 21 Miscellaneous bank fees and charges paid to BMO on a monthly basis.
- 22 Cash shortfall to be funded through Monitor's Borrowing Certificates, up to a maximum of \$3.5 million.

Appendix “J” – Sales Agent Agreement



Consulting Agreement

THIS AGREEMENT is entered into on January 24, 2025, by and between Tim Lamb Group, L.L.C., a Michigan limited liability company ("**CONSULTANT**"), and Castle Ford a [corporation existing pursuant to the laws of the Province of Alberta/ a person resident in the Province of Alberta] (singularly and collectively, "**SELLER**").

IN CONSIDERATION of the representations, warranties and covenants contained in this Agreement, the sum of TEN DOLLARS (\$10.00) paid by each of CONSULTANT and SELLER to the other, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed), CONSULTANT and SELLER hereby agree to the following:

1. **ENGAGEMENT.** SELLER hereby retains CONSULTANT to act as its financial and business advisor with respect to the transactions described herein.
2. **EXCLUSIVE CONSULTANT.** SELLER hereby grants to CONSULTANT the exclusive right for a period of 12 months from the date of this Agreement to advise and assist the SELLER with the sale of its automobile dealerships (the "**Business**"). All inquiries received by SELLER during the term of this Agreement shall be referred to CONSULTANT.
3. **DISCLOSURE OF INFORMATION.** SELLER will provide to CONSULTANT and/or prospective buyers such pertinent information and financial documents as are reasonable required in connection with the evaluation and diligence of the Business (the "**Seller Information**"). CONSULTANT will treat the Seller Information in a confidential manner.
4. **CONSULTING FEE.** If, while this Agreement is in effect, or within the twelve (12) month period following termination of this Agreement, SELLER (or any principal, representative or assignee of SELLER, or a person or entity related to or doing business with SELLER) enters into an agreement for the sale of the assets or equity interest in the Business, or any other transfer of ownership, in whole or in part, of the Business, and the transaction contemplated by such agreement (as may be amended, revised, supplemented and/or restated from time to time, the "**Transaction Document**") is completed, then SELLER agrees to jointly and severally pay to CONSULTANT a consulting fee (the "**Consulting Fee**") equal to one hundred and fifty thousand dollars (\$150,000) if the SELLER receives \$2,650,000 or greater for all assets, good-will/blue-sky and parts inventory. If the SELLER receives less than \$2,650,000 the CONSULTANT will receive a consulting fee of one hundred thousand dollars (\$100,000). SELLER acknowledges and agrees that the fees payable hereunder are reasonable and that the time worked, results achieved, and ultimate benefit to SELLER are variable, and each of these factors has been fully considered and factored into establishing the fees hereunder. Seller agrees to permit the CONSULTANT to seek a buyers fee. If a buyers fee is paid in full (3.5% of fixed assets, real estate and good-will) by the buyer, no fee is payable by the Seller.
5. **SCOPE OF DUTIES AND LICENSE.** The scope of the services rendered by the CONSULTANT (the "**Consultation Services**") under this Agreement will be aimed at providing information concerning the nature of the industry, the approach SELLER should take to strengthen its position in the industry, improving its financial position, giving advice regarding the type of buyer that SELLER should attempt to contract with, locating, targeting and contacting a qualified buyer and evaluating offers. SELLER acknowledges and understands that CONSULTANT is not licensed as a real estate broker, real estate salesperson, investment advisor, securities broker, solicitor/attorney, or any other licensed profession. CONSULTANT shall have the right to hire a licensed real estate broker to represent SELLER and the fee paid to such broker shall reduce the amount paid to CONSULTANT. None of the Consultation Services will include any services for which any such licenses are necessary under applicable law.
6. **TIMING OF PAYMENT.** The fees referred to in Section 4 above are payable in full to CONSULTANT upon the earlier of (a) the closing of the transaction contemplated by the Transaction Document, or (b) the receipt of purchase funds by SELLER (including the release of any money held in any escrow account). The obligation to pay the fees

referred to in Section 4 above shall extend to, and be binding upon, any assignees, principals or representatives of SELLER. SELLER irrevocably authorizes, consents to and directs that the fees referred to in Section 3 are to be paid from the sales proceeds from the transaction contemplated by the Transaction Document and shall be shown as a closing expense on the closing statement. In the event that BUYER is declined by the motor vehicle franchisor and/or the motor vehicle franchisor exercises any rights that it may have to reacquire the Business in whole or in part, or to otherwise determine the identity of an ultimate purchaser of the Business, and if the SELLER herein is compensated by any entity, including the motor vehicle franchisor, then this Agreement will remain in force, and the CONSULTANT will be paid the fees referred to in Section 4 above.

7. **INDEMNIFICATION; HOLD HARMLESS.** CONSULTANT assumes no responsibility for the accuracy or reliability of any financial statements, documentation, or information, representation or warranty furnished by or from SELLER or any agent or representative of SELLER or any other source. SELLER shall and does hereby irrevocably indemnify and hold CONSULTANT and its officers, directors, shareholders, employees, agents and representatives harmless of and from any and all claims arising from this Agreement and the Consulting Services.

8. **DISCLOSURE.** SELLER acknowledges and understands that CONSULTANT is providing the Consultation Services in its capacity as an M&A Broker, and notwithstanding anything contained herein to the contrary:

- (a) CONSULTANT shall not have the ability to bind SELLER to any transaction contemplated by or arising in connection with this Agreement;
- (b) CONSULTANT shall not directly or indirectly provide financing for any transaction contemplated by or arising in connection with this Agreement ;
- (c) CONSULTANT shall not have control or custody of any funds or securities issued in connection with any transaction contemplated by or arising in connection with this Agreement;
- (d) CONSULTANT shall not take part in a transaction that involves a public offering or a “shell” company;
- (e) If CONSULTANT endeavors to represent both SELLER and BUYER in a transaction, CONSULTANT will advise both parties of this fact and the parties must consent to the joint representation;
- (f) If the transaction involves a group of buyers, CONSULTANT must not have played a role in forming the group;
- (g) Any buyer must actively control and actively operate the Business;
- (h) SELLER will not sell to a passive investor;

9. **NO GUARANTEE OF SALE.** SELLER and CONSULTANT agree that the signing of the Agreement does not guarantee the negotiation and finalization of a Transaction Document and/or the completion of any transaction contemplated by any such Transaction Document (including, without limitation, the sale of the Business).

10. **MISCELLANEOUS.** The undersigned represents and covenants that the undersigned has the full authority to sign this Agreement on behalf of SELLER. This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof. This Agreement may not be modified without the written consent of both parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. By signing this Agreement in the space below the undersigned is acknowledging consent and approval of the foregoing. If CONSULTANT brings an action to collect fees due hereunder, SELLER shall reimburse CONSULTANT for any fees and costs (including legal) associated with the prosecution thereof. Any and all disputes, causes of action and claims arising out of, or in connection with, this Agreement shall be adjudicated exclusively in the **[Province of Alberta]**. This Agreement may be validly executed and delivered by facsimile transfer or scan and e-mail. If any provision set forth herein is deemed unenforceable or illegal, such provision shall be construed amended and modified so as to be enforceable and legal in light of the circumstances and intention of the parties. Any signer who executes this Agreement and transmits this document by the above methods intends that their signature is to be an original signature for all purposes. Any printout or photocopy received by fax and/or scan and e-mail is hereby deemed to be an original counterpart of this Agreement.

BUSINESS SELLER:

Castle Ford


Mike koch (Jan 24, 2025 15:32 MST)

By: Mike Koch

REAL ESTATE SELLER:

Castle Ford


Mike koch (Jan 24, 2025 15:32 MST)

By: Mike Koch

CONSULTANT:

Tim Lamb Group

By: Gordie Gerbrandt



Consulting Agreement

THIS AGREEMENT is entered into on January 24, 2025, by and between Tim Lamb Group, L.L.C., a Michigan limited liability company ("**CONSULTANT**"), and Westcastle Chevrolet Buick GMC a [corporation existing pursuant to the laws of the Province of Alberta/ a person resident in the Province of Alberta] (singularly and collectively, "**SELLER**").

IN CONSIDERATION of the representations, warranties and covenants contained in this Agreement, the sum of TEN DOLLARS (\$10.00) paid by each of CONSULTANT and SELLER to the other, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed), CONSULTANT and SELLER hereby agree to the following:

1. **ENGAGEMENT.** SELLER hereby retains CONSULTANT to act as its financial and business advisor with respect to the transactions described herein.
2. **EXCLUSIVE CONSULTANT.** SELLER hereby grants to CONSULTANT the exclusive right for a period of 12 months from the date of this Agreement to advise and assist the SELLER with the sale of its automobile dealerships (the "**Business**"). All inquiries received by SELLER during the term of this Agreement shall be referred to CONSULTANT.
3. **DISCLOSURE OF INFORMATION.** SELLER will provide to CONSULTANT and/or prospective buyers such pertinent information and financial documents as are reasonable required in connection with the evaluation and diligence of the Business (the "**Seller Information**"). CONSULTANT will treat the Seller Information in a confidential manner.
4. **CONSULTING FEE.** If, while this Agreement is in effect, or within the twelve (12) month period following termination of this Agreement, SELLER (or any principal, representative or assignee of SELLER, or a person or entity related to or doing business with SELLER) enters into an agreement for the sale of the assets or equity interest in the Business, or any other transfer of ownership, in whole or in part, of the Business, and the transaction contemplated by such agreement (as may be amended, revised, supplemented and/or restated from time to time, the "**Transaction Document**") is completed, then SELLER agrees to jointly and severally pay to CONSULTANT a consulting fee (the "**Consulting Fee**") equal to one hundred and fifty thousand dollars (\$150,000) if the SELLER receives \$2,650,000 or greater for good-will excluding all assets, and parts/vehicle inventory. If the SELLER receives less than \$2,650,000 the CONSULTANT will receive a consulting fee of one hundred thousand dollars (\$100,000). SELLER acknowledges and agrees that the fees payable hereunder are reasonable and that the time worked, results achieved, and ultimate benefit to SELLER are variable, and each of these factors has been fully considered and factored into establishing the fees hereunder. Seller agrees to permit the CONSULTANT to seek a buyers fee. If a buyers fee is paid in full (3.5% of fixed assets, real estate and good-will) by the buyer, no fee is payable by the Seller.
5. **SCOPE OF DUTIES AND LICENSE.** The scope of the services rendered by the CONSULTANT (the "**Consultation Services**") under this Agreement will be aimed at providing information concerning the nature of the industry, the approach SELLER should take to strengthen its position in the industry, improving its financial position, giving advice regarding the type of buyer that SELLER should attempt to contract with, locating, targeting and contacting a qualified buyer and evaluating offers. SELLER acknowledges and understands that CONSULTANT is not licensed as a real estate broker, real estate salesperson, investment advisor, securities broker, solicitor/attorney, or any other licensed profession. CONSULTANT shall have the right to hire a licensed real estate broker to represent SELLER and the fee paid to such broker shall reduce the amount paid to CONSULTANT. None of the Consultation Services will include any services for which any such licenses are necessary under applicable law.
6. **TIMING OF PAYMENT.** The fees referred to in Section 4 above are payable in full to CONSULTANT upon the earlier of (a) the closing of the transaction contemplated by the Transaction Document, or (b) the receipt of purchase

funds by SELLER (including the release of any money held in any escrow account). The obligation to pay the fees referred to in Section 4 above shall extend to, and be binding upon, any assignees, principals or representatives of SELLER. SELLER irrevocably authorizes, consents to and directs that the fees referred to in Section 3 are to be paid from the sales proceeds from the transaction contemplated by the Transaction Document and shall be shown as a closing expense on the closing statement. In the event that BUYER is declined by the motor vehicle franchisor and/or the motor vehicle franchisor exercises any rights that it may have to reacquire the Business in whole or in part, or to otherwise determine the identity of an ultimate purchaser of the Business, and if the SELLER herein is compensated by any entity, including the motor vehicle franchisor, then this Agreement will remain in force, and the CONSULTANT will be paid the fees referred to in Section 4 above.

7. **INDEMNIFICATION; HOLD HARMLESS.** CONSULTANT assumes no responsibility for the accuracy or reliability of any financial statements, documentation, or information, representation or warranty furnished by or from SELLER or any agent or representative of SELLER or any other source. SELLER shall and does hereby irrevocably indemnify and hold CONSULTANT and its officers, directors, shareholders, employees, agents and representatives harmless of and from any and all claims arising from this Agreement and the Consulting Services.

8. **DISCLOSURE.** SELLER acknowledges and understands that CONSULTANT is providing the Consultation Services in its capacity as an M&A Broker, and notwithstanding anything contained herein to the contrary:

- (a) CONSULTANT shall not have the ability to bind SELLER to any transaction contemplated by or arising in connection with this Agreement;
- (b) CONSULTANT shall not directly or indirectly provide financing for any transaction contemplated by or arising in connection with this Agreement ;
- (c) CONSULTANT shall not have control or custody of any funds or securities issued in connection with any transaction contemplated by or arising in connection with this Agreement;
- (d) CONSULTANT shall not take part in a transaction that involves a public offering or a "shell" company;
- (e) If CONSULTANT endeavors to represent both SELLER and BUYER in a transaction, CONSULTANT will advise both parties of this fact and the parties must consent to the joint representation;
- (f) If the transaction involves a group of buyers, CONSULTANT must not have played a role in forming the group;
- (g) Any buyer must actively control and actively operate the Business;
- (h) SELLER will not sell to a passive investor;

9. **NO GUARANTEE OF SALE.** SELLER and CONSULTANT agree that the signing of the Agreement does not guarantee the negotiation and finalization of a Transaction Document and/or the completion of any transaction contemplated by any such Transaction Document (including, without limitation, the sale of the Business).

10. **MISCELLANEOUS.** The undersigned represents and covenants that the undersigned has the full authority to sign this Agreement on behalf of SELLER. This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof. This Agreement may not be modified without the written consent of both parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. By signing this Agreement in the space below the undersigned is acknowledging consent and approval of the foregoing. If CONSULTANT brings an action to collect fees due hereunder, SELLER shall reimburse CONSULTANT for any fees and costs (including legal) associated with the prosecution thereof. Any and all disputes, causes of action and claims arising out of, or in connection with, this Agreement shall be adjudicated exclusively in the [Province of Alberta]. This Agreement may be validly executed and delivered by facsimile transfer or scan and e-mail. If any provision set forth herein is deemed unenforceable or illegal, such provision shall be construed amended and modified so as to be enforceable and legal in light of the circumstances and intention of the parties. Any signer who executes this Agreement and transmits this document by the above methods intends that their signature is to be an original signature for all purposes. Any printout or photocopy received by fax and/or scan and e-mail is hereby deemed to be an original counterpart of this Agreement.

BUSINESS SELLER:

REAL ESTATE SELLER:

Westcastle Chevrolet Buick GMC

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Mike koch (Jan 24, 2025 15:32 MST)


Mike koch (Jan 24, 2025 15:32 MST)

By: Mike Koch

By: Mike Koch

CONSULTANT:
Tim Lamb Group

By: Gordie Gerbrandt

sellers agreement- CF & WCC Koch

Final Audit Report

2025-01-24

Created:	2025-01-24
By:	gordie gerbrandt (gordie@timlambgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAADF_NJWQSK5ZO6snaFcDsEIX0UtyjOCku

"sellers agreement- CF & WCC Koch" History

-  Document created by gordie gerbrandt (gordie@timlambgroup.com)
2025-01-24 - 7:57:53 PM GMT- IP address: 74.49.163.26
-  Document emailed to mike@arrowvw.com for signature
2025-01-24 - 7:58:42 PM GMT
-  Email viewed by mike@arrowvw.com
2025-01-24 - 8:00:12 PM GMT- IP address: 72.143.219.152
-  Signer mike@arrowvw.com entered name at signing as Mike koch
2025-01-24 - 10:32:34 PM GMT- IP address: 72.143.220.96
-  Document e-signed by Mike koch (mike@arrowvw.com)
Signature Date: 2025-01-24 - 10:32:36 PM GMT - Time Source: server- IP address: 72.143.220.96
-  Agreement completed.
2025-01-24 - 10:32:36 PM GMT

Appendix “K” – Westcastle Dealership Sale Agreement

ASSET PURCHASE AGREEMENT
WESTCASTLE GM

THIS AGREEMENT is dated for reference the 22nd day of September, 2025.

BETWEEN:

2412170 ALBERTA LTD.
a corporation duly incorporated in the Province of Alberta
(the “Vendor”)

AND:

2672671 ALBERTA LTD.
a corporation duly incorporated in the Province of Alberta
(the “Purchaser”)

RECITALS:

The Vendor is engaged in the Business; and

- A. the Vendor wishes to sell substantially all of its interest in the assets utilized in the Business (with the exception of the Excluded Assets) to the Purchaser, and the Purchaser wishes to purchase such assets from the Vendor, upon the terms and subject to the Conditions Precedent hereinafter contained (the “Acquisition”)
- B. the parties have related entities that are purchasing and selling lands upon which the Business operates concurrent to this transaction.

NOW THEREFORE the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto:

- 1.1.1 “**Acquisition**” has the meaning attributed to such term in Recital A;
- 1.1.2 “**Agreement**” means this agreement and all schedules attached to this agreement, in each case as they may be amended or supplemented from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this agreement and unless otherwise indicated, references to Articles and sections are to Articles and sections in this agreement;
- 1.1.3 “**Applicable Laws**” means, in respect of any Person. property, transaction, event or course of conduct, all applicable laws, statutes, regulations, rules, by-laws ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;
- 1.1.4 “**Assigned Contracts**” has the meaning attributed to such term in section 2.1.4;

- 1.1.5 “**Bill of Sale**”, means a bill of sale transferring to the Purchaser free and clear title to the Purchased Assets owned by the Vendor to operate the Business;
- 1.1.6 “**Business**”, meaning the business of the **2412170 Alberta Ltd.** automobile dealership;
- 1.1.7 “**Business Day**”, means any day, other than Saturday Sunday or any statutory holiday in the Province of Alberta;
- 1.1.8 “**Canadian ASPE**” has the meaning attributed to such term in section 1.2.10;
- 1.1.9 “**Closing**”, means the completion of the purchase and sale of the Purchased Assets pursuant to this Agreement at the Closing Time;
- 1.1.10 “**Closing Agenda**”, means the Closing Agenda approved by Vendor's Counsel and Purchaser's Counsel;
- 1.1.11 “**Closing Date**” means **December 15, 2025** or other such date as mutually agreed by the Parties;
- 1.1.12 “**Closing Date Payment**” has the meaning attributed to such term in section 2.4(d);
- 1.1.12 “**Closing Time**” means 1:00 p.m., Mountain Standard Time, on the Closing Date, or such other time on the Closing Date as may be agreed upon in writing between the Purchaser and the Vendor however the Closing shall be effective as of 8:00 a.m. Mountain Standard Time;
- 1.1.13 “**Conditions Precedent**” means either or both of the Vendor's Conditions and the Purchaser's Conditions, as the context shall require;
- 1.1.14 “**Contracts**” means any contract, agreement, commitment, lease or other binding instrument;
- 1.1.15 “**Dealership Agreement**” means the dealership agreement made between the Vendor and GMCC, if and as amended from time to time;
- 1.1.16 “**Domain Names**” means all uniform resource locators (URL's), social media sites, and Facebook sites related to the Business including but not limited to westcastlegm.net and all goodwill and reputation attached thereto, any trade-mark rights in, and all other rights related thereto;
- 1.1.17 “**Encumbrance**” means any security interest, lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim or title retention agreement of any nature or kind whatsoever;
- 1.1.18 “**Excluded Assets**” has the meaning attributed to such term in section 2.2;
- 1.1.19 “**Final Closing Statement**” has the meaning attributed to such term in section 2.10;
- 1.1.20 “**Financial Statements**” means the year-end financial statement of the Vendor provided to the Purchaser for the most recent corporate year end of the Vendor;

- 1.1.21 **“Fixed Assets”** means all fixed assets relating to or used in connection with the Business, including equipment, all leasehold improvements, signage, office supplies, computer hardware and software, furniture, and other miscellaneous tangible items.
- 1.1.22 **“GMCC”** means General Motors of Canada Company or such further or other corporate entity that is the franchisor of GMCC in Canada, and is more particularly the franchisor of the franchise and dealership agreement with the Vendor;
- 1.1.23 **“Governmental Authority”** means any (a) federal, provincial, state, regional, municipal, local or other governmental, domestic or foreign; (b) governmental or quasi-governmental authority of any nature (including any agency, branch, department, commission, board, court or tribunal; (c) body exercising any administrative, executive, judicial, legislative, police, regulatory, expropriation or taxing authority, domestic or foreign; or (d) self-regulatory organization or stock exchange having jurisdiction in the relevant circumstances;
- 1.1.24 **“Governmental Charges”** means all Taxes, assessments, re-assessments and other charges, together with all related penalties, interest and fines, payable to any Governmental Authority;
- 1.1.25 **“Goodwill”** has the meaning attributed to such term in section 2.1.9;
- 1.1.26 **“GST Legislation”** means the Excise Tax Act (Canada);
- 1.1.27 **“Initial Deposit”** means the initial of **\$50,000.00** that was deposited with the Purchaser’s Solicitors in accordance with the Letter of Intent, being held in trust in accordance with the terms of this Agreement;
- 1.1.28 **“Lease”**, means a lease for the Premises made between the landlord and the Purchaser;
- 1.1.29 **“Parts”** means any and all automotive parts, retail or wholesale stock used for internal or external use of the Business, or other parts and all other miscellaneous inventory, used by the Vendor in the Business;
- 1.1.30 **“Person”** means any individual, sole proprietorship, partnership, limited partnership, joint venture, syndicate, body corporate with or without share capital, unincorporated association, trust or Governmental Authority and, where the context requires, any of the foregoing when acting as trustee, executor, administrator or other legal representative;
- 1.1.31 **“Pre-Closing Statement”** has the meaning in clause 2.3 (e);
- 1.1.32 **“Premises”** means all real and immovable property, buildings and facilities occupied by the Vendor and used, wholly or in part, in connection with the Business located at 1100 Waterton Ave, Pincher Creek, Alberta, T0K 1W0;
- 1.1.33 **“Purchase Price”** has the meaning attributed to such term in section 2.3;
- 1.1.34 **“Purchased Assets”** has the meaning attributed to such term in section 2.1;
- 1.1.35 **“Purchased Inventory”** has the meaning attributed to such term in section 2.1.2;
- 1.1.36 **“Purchaser's Counsel”** means the firm of PT Law LLP

- 1.1.37 **“Purchaser’s Conditions”** means the conditions precedent set out in section 6.1;
- 1.1.38 **“Second Deposit”** means a second deposit of \$50,000.00 that will be deposited with the Purchaser’s Solicitors in accordance with the Letter of Intent, to be held in trust in accordance with the Terms of this Agreement.
- 1.1.39 **“Tax” and “Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits), windfall profits taxes, gross receipts taxes, withholding or similar taxes, branch taxes, net worth taxes, surtaxes, production tax sales taxes, use taxes, ad valorem taxes, value added taxes, excise taxes, goods and services tax, harmonized sales tax, capital taxes, stamp taxes, occupation taxes, premium taxes, property taxes, occupation taxes, land transfer taxes, mining taxes, environmental taxes, franchise taxes, license tax, health taxes, payroll taxes, employment taxes, severance taxes, social security premiums, employment insurance or compensation premiums, workers' compensation premiums, mandatory pension and other social fund taxes or premiums, alternative or add-on minimum taxes, custom duties or other governmental taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind whatsoever imposed by any Governmental Authority in respect of the relevant entity, together with any interest, penalties or additions thereto and any interest in respect of such penalties or additions, and any liability, including under any agreements or arrangements, for any such amounts imposed by any Governmental Authority in respect of the relevant entity with respect to any other Person including any predecessor of or transferor to the relevant entity;
- 1.1.40 **“Tax Returns”** means all returns, reports, declarations, elections, information statements and forms, including any amendments thereto, required by any Governmental Authority to be made prepared or filed in respect of Taxes by the relevant entity;
- 1.1.41 **“Transfer Documents”** means the Bill of Sale and all other necessary conveyances, bills of sale, transfers, assignments, including assignments of trade names, phone and facsimile numbers, websites and the like, and any other documentation necessary or reasonably required to transfer the Purchased Assets to the Purchaser;
- 1.1.42 **“Vehicles”**
- (a) Level one new vehicles – all 2025 and 2026 new vehicles with less than 500 kms on the odometer.
 - (b) Level two new vehicles – all new 2025 and 2026 vehicles with more than 500 kms.
- 1.1.43 **“Vendor's Conditions”** means the conditions precedent set out in section 6.2;
- 1.1.44 **“Vendor's Counsel”** means the firm of Jomha Skrobot LLP or such other legal counsel as the Purchaser may appoint with respect to this Agreement and the matters contemplated hereby;
- 1.1.45 **“Vendor's Personnel”** has the meaning attributed to such term in Article 5;

1.2 Interpretation

IN THIS AGREEMENT:

- 1.2.1 **Gender and Number.** Except where the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

- 1.2.2 **Headings and Table of Contents.** The inclusion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof.
- 1.2.3 **Including.** Where the word “including” or “includes”, is used. it means including or includes “without limitation”.
- 1.2.4 **Material.** Where the term “material” or “materially” is used, it shall be construed, measured or assessed on the basis of whether the matter would materially affect a party and its subsidiaries, taken as a whole, or would prevent or significantly impede the purchase or sale of the Purchased. Assets or the completion of the other transactions contemplated by this Agreement and the Transfer Documents.
- 1.2.5 **No Strict Construction.** The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party proposing any such language.
- 1.2.6 **Statutory Reference.** A reference to a statute includes all rules and regulations made pursuant to such statute and, unless expressly provided otherwise, the provisions of any statute, rule or regulation which amends, supplements or supersedes any such statute, rule
- 1.2.7 **Currency.** Except where expressly provided otherwise herein, all amounts are stated and shall be paid in Canadian dollars.
- 1.2.8 **Time Periods.** Except where expressly provided otherwise herein, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of the period is not a Business Day.
- 1.2.9 **Disclosure in Writing.** Where the phrase “except as disclosed”, or similar expressions are used, it shall be construed as referring to (a) the other provisions of this Agreement, or (b) the contents of any Schedule hereto.
- 1.2.10 **Accounting Principles.** Except to the extent expressly provided otherwise herein, all accounting terms used herein shall have the respective meanings attributed thereto under Canadian accounting standards for private enterprises (“Canadian ASPE”) as promulgated by Financial Reporting and Assurance Standards Canada and all determinations of an accounting nature in respect of the Business required to be made herein shall be made in a manner consistent with Canadian ASP and on a basis consistent with the Financial Statements.

1.3 **Entire Agreement.**

This Agreement constitutes the entire agreement between the parties pertaining to the transactions contemplated by this Agreement and the Transfer Documents. There are no representations, warranty covenants, agreements, conditions, indemnities or other provisions, whether oral or written, express or implied. collateral, statutory or otherwise relating to the transactions contemplated by this Agreement and the Transfer Documents, except as expressly contained in this Agreement.

1.4 **Severability**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction

shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Laws, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as near as possible to that of the invalid or unenforceable provision which it replaces.

1.5 **Amendments, Waivers, Investigations**

Except as expressly provided otherwise herein, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of a provision of this Agreement constitute a continuing waiver unless expressly provided otherwise herein. No investigation or waiver made by or on behalf of any party shall have the effect of waiving or diminishing the scope of or otherwise affecting any representation or warranty made by any other party pursuant to this Agreement or any Transaction Document.

1.6 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

ARTICLE 2 **PURCHASE AND SALE OF ASSETS**

2.1 **Agreement to Purchase and Sell**

Subject to the terms and conditions of this Agreement, at the Closing Time the Purchaser shall purchase and the Vendor shall sell as a going concern all of the Vendor's right, title and interest in and to the assets and rights, other than Excluded Assets, used by the Vendor in carrying on the Business (collectively, the "Purchased Assets"), as is defined below:

goodwill relating to the Business as a going concern (the "Goodwill") which shall have a value of \$1,700,000.00 which shall be inclusive of the following;

- 2.1.1.1 all furniture, fixtures, leasehold improvements and relevant office equipment (including computer and telephone equipment) located at the Premises and utilized in connection with the Business, including tools, equipment and other accessories and supplies ("Fixed Assets") as specifically listed in Schedule A, attached hereto;
- 2.1.1.2 all parts inventory as agreed upon by the Purchaser (collectively the "Inventory");
- 2.1.1.3 Inventory which shall be based upon cost. Inventory to be counted jointly by the parties of the Closing Date;
- 2.1.1.4 from inception (to the extent they still exist), all customer records, including customer lists, maintenance and service histories, except those expressly excluded hereunder;
- 2.1.1.5 all Contracts which have been entered into by the Vendor in the ordinary course of the Business, consistent with past practice, and which relate exclusively to the Purchased Assets, (to the extent that such Contracts are assignable or transferable and subject to obtaining any necessary consents to such assignment or transfer) as are set out in Schedule B (collectively, the "Assigned Contracts");
- 2.1.1.6 the exclusive right to represent the Purchaser as carrying on the Business as successor to the

Vendor and the exclusive right to use the name "Westcastle GM" or any variations thereof, always subject to the rights of GMCC;

- 2.1.1.7 the Vendor's right title and interest in all phone numbers, fax numbers, email addresses, social media and websites including the Domain Names associated with the Business;
- 2.1.1.8 all trade names, trademarks, copyrights, proprietary information systems, software and other intellectual property utilized in the Business to the extent they may be assigned by the Vendor to the Purchaser;
- 2.1.1.9 all customer lists and lists of suppliers, relating to the Business and all GMCC operating manuals, standards and specifications and other information used or required to effectively conduct the Business.
- 2.1.2 The sale of used vehicles shall be negotiated on a case-by-case basis between the Purchaser and the Vendor. For past model vehicles, these are considered used vehicles, and the price is to be negotiated. Values shall be agreed to not later than 5 days prior to the Closing Date. If the parties cannot agree upon the price of a vehicle, it will be determined by the Canadian Black Book for Alberta vehicles for clean vehicles.

2.2 Excluded Assets

The Purchased Assets shall not include the following assets (the "Excluded Assets"):

- 2.2.1 any Vehicle as identified in Schedule D, which is an Excluded Asset pursuant to the terms of this Agreement;
- 2.2.2 all accounts receivable, trade accounts, notes receivable, book debts, warranty and parts claims and other debts due to the Vendor and any personal use items of the Vendor or its shareholders specifically described in Schedule D. If the Purchaser receives payment of any of the accounts receivable, trade accounts, notes receivable, book debts, warranty and parts claims and other debts due to the Vendor it shall hold payment in trust for the benefit of the Vendor and immediately remit to the Vendor any such payments received.
- 2.2.3 any refundable Taxes paid by the Vendor and any claim or right of the Vendor to any refund of Taxes for periods prior to the Closing Date;
- 2.2.4 cash, bank balances, money's in possession of banks and other depositories, term deposits and similar cash items of the owner or held by or for the account of the Vendor;
- 2.2.5 all corporate, financial, taxation and other records of the Vendor (except as provided herein);
- 2.2.6 all Vendor insurance policies, benefits, tax account, and personal property of the Vendor's principals and employees;
- 2.2.7 previously sold vehicles located on the Premises as of the Closing Date; and
- 2.2.8 Vendor's lease portfolio except as expressly stated to be assumed by Purchaser.

2.3 Purchase Price

Subject to the provisions of sections 2.4 and 2.7, the aggregate purchase (the "Purchase Price") to be paid by the Purchaser to the Vendor for the Purchased Assets shall be calculated as the aggregate of the following:

- (a) \$1,700,000.00 plus GST as applicable;

- (b) The amounts for New Vehicles purchased by the Vendor (as adjusted below) and being sold to the Purchaser are described as follows:
- (i) for the 2025 and 2026 level one New Vehicles (which have not been registered as sold vehicles with the manufacturer), factory invoice amount less holdbacks, rebates, reserves, and all other factory credits, plus PDI (not to exceed \$600.00 net of Manufacturers PDI credit) (if completed) and plus any OEM accessories added to the New Vehicle;
 - (ii) new vehicles with more than 500 kms, factory invoice plus cost of freight, PDI (not to exceed \$600.00 net of manufacturers PDI credit) and any dealer accessories added to the vehicle at recorded cost less manufacturer's holdbacks, rebates, reserves, and all other factory credits, less \$0.30 per km over 500 kms at the Closing Date.
 - (iii) Any 2025 and 2026 New Vehicles with more than 12,500 kms will be valued at fair market value. If a value cannot be agreed upon, the Vendor will retain ownership of the vehicle. Any purchase of these vehicles must be agreed to on a case-by-case basis;
 - (iv) the parties agree that in the event that any New Vehicle being purchased by the Purchaser is secured by a note payable held by the Vendor's wholesale finance lender than the outstanding amount shall be paid directly from the Purchaser's wholesale lender to the Vendor's wholesale lender.
 - (v) GST shall be added for all vehicles if applicable.
 - (vi) for past model vehicles, these are considered used vehicles and the price is to be negotiated on a case-by case basis between the Purchaser and the Vendor. Values shall be agreed to not later than 5 days of the Closing Date. If a value cannot be agreed upon, the Vendor will retain ownership of the vehicle.
- (d) \$1.00 for the balance of the Purchased Assets not set out above.
- (e) Not later than 20 days prior to the Closing Date, the Vendor will prepare and deliver to the Purchaser a statement setting out the estimated Purchase Price allocation for the New Vehicles and the Used Vehicles described above as at the Closing Date ("the Pre-Closing Purchase Price Allocation Statement"). The Purchaser not less than 5 days prior to the Closing Date shall propose any changes to the Pre-Closing Allocation Statement. As provided for in clauses 2.3 (b) ~~vii~~ if the parties cannot agree on the allocation for the vehicles to which the price cannot be agreed upon shall be retained by the Vendor.

The Purchase Price shall expressly include any payment or commissions due to any brokers or agents of the Purchaser or Vendor, if any, for facilitating the transaction herein or for facilitating the purchase and sale of the lands legally described as Plan 9311234 Block 4 Lots 5 and 6 between the parties. Any such payments due will be made by the Vendor.

2.4 Payment at Closing

The Purchase Price shall be paid and satisfied as follows:

- (a) the Initial Deposit, upon signing of the Agreement, will be transferred to the Vendor's Counsel

upon Closing; The Initial Deposit will be applied to the Purchase Price at Closing.

- (b) The Second Deposit, will be transferred to the Vendor's Counsel upon Closing. The Second Deposit will be applied to the Purchase Price at Closing.
- (c) the balance of the Purchase Price net of adjustments shall be provided by way of bank draft, solicitor's trust cheque, or wire transfer delivered to the Vendor's Counsel, on the Closing Date (the "Closing Date Payment") for unconditional release.
- (d) on or before the Closing Date the Purchaser's lender shall pay out the Vendor's lender for all of the financing of the new and used vehicles.

2.5 Adjustments

The parties agree to the following:

- a) Adjust on closing for any work in progress and any oil change programs, loyalty programs, work in progress, work in progress warranty claims, or other customer appreciation programs with the Purchaser receiving a reasonable credit for the outstanding value of such programs.
- b) The parties agree to adjust on closing the difference between the amount owing for New Vehicles and Used Vehicles as set out in Section 2.3 and the amount owing on the Vendor's New and Used Floor Plans paid by the Purchaser's lender.
- c) Subject to review by the Purchaser, the valuation of open work orders shall be valued at the current economic value as recorded on the Purchaser's balance sheet. If the parties agree that there is a reduction in the value of the open work orders, then such reductions shall be reflected in the Closing Date retained earnings.
- d) The Purchaser agrees that if it receives any funds payable to the Vendor in respect of any monies properly payable to the Vendor under the terms of the Asset Purchase Agreement for the period prior to the Closing Date, the Purchaser will hold such funds in trust for the Vendor, promptly notify the Vendor upon receipt of such funds, and endorse or otherwise transfer such funds to the Vendor as the Vendor may so direct.

2.6 Location and Time of the Closing

The Closing shall take place at the Closing Time at the offices of the Purchaser's Counsel at Edmonton, Alberta or such other place as the Parties mutually agree.

2.7 GST

The Purchaser shall be liable for and shall pay all federal sales taxes (excluding income, capital gains, capital losses, recapture or similar taxes, which shall remain the responsibility of the entity which is assessed for such taxes) arising in connection with the transfer of the Purchased Assets contemplated by this Agreement, and the Purchaser shall indemnify and save harmless the Vendor for any damages, losses and expenses suffered or incurred by the Vendor as a result of the Purchaser not paying such taxes if payable.

2.8 Goods and Services Tax Exemption

The Vendor and the Purchaser shall, if applicable, on the Closing Date, jointly execute, in

prescribed form, a GST Form 44, as soon as reasonably practicable thereafter and in any event within the prescribed time, the Purchaser shall, as and if available, file such elections with the appropriate authorities such that no tax will be payable pursuant to the GST legislation with respect to the purchase and sale of the Purchased Assets.

2.9 Closing Documents

Vendor Documents: On or prior to the Closing Date, the Vendor shall deliver to the Purchaser:

- 2.9.1.1 Statement of Adjustments;
- 2.9.1.2 the Transfer Documents;
- 2.9.1.3 proof of termination of Vendor's Personnel;
- 2.9.1.4 a shareholder resolution and a directors resolution authorizing the execution, delivery and performance by the Vendor of this Agreement and any documents to be provided by it pursuant to the provisions hereof;
- 2.9.1.5 an executed GST Form 44 election concerning the acquisition of a business, if such election is available;
- 2.9.1.6 all keys to the Premises;
- 2.9.1.7 all client and customer information;
- 2.9.1.8 an undertaking of the parties to re-adjust any amounts not correctly adjusted on the Closing Date;
- 2.9.1.9 a Workers Compensation Board clearance certificate within a reasonable period of time post-closing; and
- 2.9.1.10 an Agreement to Adjust in the form attached as Schedule "E";
- 2.9.1.11 a Letter of Opinion in the form attached as Schedule "F" signed by the solicitors for the Vendor;
- 2.9.1.12 the Vendor shall also execute and deliver or cause to be executed and delivered to the Purchaser such copies of such other documents relevant to the closing of the transactions contemplated hereby as the Purchaser, acting reasonably, may request, or as contemplated by the Closing Agenda.

Purchaser Documents: On the Closing Date, the Purchaser shall deliver to the Vendor, under appropriate trust conditions, as may be agreed upon between Vendor's Counsel and Purchaser's Counsel.

- 2.9.2.1 the Closing Date Payment;
- 2.9.2.2 a director resolution authorizing the execution, delivery and performance by the Purchaser of this Agreement and any document to be provided by it pursuant to the provisions hereof;
- 2.9.2.3 an executed GST Form 44 election concerning the acquisition of a business, if such election is available;

- 2.9.2.4 An Agreement to Adjust in the form attached as Schedule “E”;
- 2.9.2.5 Letter of Opinion in the form attached as Schedule “G” signed by the solicitors for the Purchaser;
- 2.9.2.6 Acknowledgement of Receipt in the form attached as Schedule “H”;
- 2.9.2.8 the Purchase Price for the Premises as provided for in the Real Estate Purchase Contract in the form attached as Schedule “I”. It is the intention of the parties that the purchase and sale of assets in this agreement occur simultaneously with the purchase of the Premises.
- 2.9.2.9 the Purchaser shall also execute and deliver or cause to be executed and delivered such copies of such other documents relevant to the closing of the transactions contemplated hereby as the Vendor, acting reasonably, may request. or as contemplated by the Closing Agenda.

2.10 Closing Statement

One (1) day prior to the Closing Date, the Vendor shall prepare or cause to be prepared, a Final Closing Statement (the “Final Closing Statement”) being a closing statement calculating the adjustments as at the Closing Time. Any overpayment or underpayment resulting from the said Final Closing Statement being inaccurate at the Closing Time, shall be adjusted, directly between the Parties, within 90 days of the Closing Date.

The parties agree that they shall cooperate with each other's lenders in regards to conducting an inventory of all Vehicles 2 days prior to the Closing Date and within sufficient time such that funds may be advanced on the Closing Date.

ARTICLE 3 ASSUMPTION OF LIABILITIES AND OBLIGATIONS

3.1 Agreement to Assume Liabilities and Obligations

3.1 The Purchaser shall assume as of the Closing Date and shall pay, discharge and perform, as the case may be, from and after the Closing Date all of the liabilities and obligations of the Vendor that the Purchaser has agreed to assume.

3.2 The Purchaser shall assume the Pattison Sign Group signage lease dated August 26, 2022, but otherwise shall not assume any other leases except as expressly stated herein. The Purchaser is specifically not assuming the current vehicle lease contracts with Transcan Leasing Corp or Lance Fiddler, respectively.

ARTICLE 4 REPRESENTATION AND WARRANTIES

4.1 By the Vendor

The Vendor hereby represents and warrants to the Purchaser, as at the Closing Date as follows and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

- 4.1.1 the Vendor is incorporated in the Province of Alberta. The Vendor is duly registered, licensed or qualified to carry on the Business and is in good standing in the Province of Alberta, being the only jurisdiction in which the character of the Purchased Assets or the nature of the Business makes such registration licensing or qualification necessary.
- 4.1.2 the Vendor has the corporate power and capacity to enter into and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Vendor.
- 4.1.3 the Vendor is the sole legal and beneficial owner of the Purchased Assets with good and marketable title thereto, free of all Encumbrances, except those related to vehicle inventory financing. Except for the Dealership Agreement, there are no agreements or restrictions which in any way limit or restrict the transfer to the Purchaser of any of the Purchased Assets.
- 4.1.4 the Vendor is not a non-resident of Canada for purposes of the Income Tax Act (Canada).
- 4.1.5 the Vendor has filed all material Tax Returns required to be filed by it when due in accordance with Applicable Laws, and to the knowledge of the Vendor all such Tax Returns are true, correct and complete in all material respects.
- 4.1.6 all the physical assets comprising the Purchased Assets are covered by fire and other insurance with responsible insurers against such risks and in such amounts as are reasonable for prudent owners of comparable assets.
- 4.1.7 to the best knowledge of the Vendor, the Purchase Assets have been properly maintained and are in proper working order condition and repair for the purpose of on- going operation, subject to reasonable wear and tear.
- 4.1.8 excluding the Dealership Agreement and the Assigned Contracts, the Vendor warrants it is not a party to or bound by any contract or agreement relating to the Business or Purchased Assets and to the extent they are to be assign all such Assigned Contracts shall be in good standing and in full force and effect as at the Closing Date.
- 4.1.9 to the actual knowledge of the Vendor, the Vendor has materially complied with all laws, statutes, ordinances, regulations, rules, judgments decrees or orders applicable to the Business or the Purchased Assets.
- 4.1.10 there is no requirement to make any filing with, give any notice to or to obtain any license, permit, certificate, registration, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful consummation of the transactions contemplated by this Agreement. There is no requirement under any contract relating to the Purchased Assets or the Business to which the Vendor is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, any party to such agreement, instrument or commitment except for the approval of GMCC and except for required consents of third party to any Contracts being assigned or transferred to the Purchaser.
- 4.1.11 the Financial Statements fairly and correctly set out and disclose, in accordance with generally accepted accounting principles, the financial position of the Vendor as at the date thereof, and all material financial transactions of the Vendor relating to the Business have been accurately recorded in such books and records.
- 4.1.12 there are no actions, suits or proceedings (whether or not purportedly on behalf of the

Vendor) pending or, to the best knowledge of the Vendor, threatened against or affecting the Vendor at law or in equity.

4.1.13 As of the Closing Date all employees of the Business shall be terminated by the Vendor in accordance with the terms of this Agreement.

4.1.14 the Vendor, in respect of the Business and the Premises, has been and is in compliance

with all applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws and regulations, and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency ("**Environmental Laws**") relating to the protection of the environment, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any pollutants, contaminants, chemicals or industrial toxic or hazardous wastes or substances ("**Hazardous Substances**").

4.1.15 the Vendor shall not put any further accessories on any New Vehicles without the consent of the Purchaser, other than floor mats, block heaters, and mud flaps following the execution of this Agreement;

4.2 **By the Purchaser**

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

4.2.1 the Purchaser is incorporated and validly existing under the laws of the Province of Alberta;

4.2.2 the Purchaser has the corporate power and capacity to enter into and perform its obligations under this Agreement

4.2.3 this Agreement has been duly executed by the Purchaser; and

4.2.4 the Purchaser is, or shall be as of the Closing Date, a GST registrant, and will provide its registration numbers to the Vendor prior to Closing.

4.3 **Survival of Representations, Warranties and Covenants**

To the extent that they have not been fully performed at or prior to the Closing Time, the representations and warranties, covenants and agreements contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing, for a period of 2 years.

Each Party shall be liable to the other for all costs, damages, liabilities and expenses (the "Losses") in respect of losses suffered or incurred by the other or arising directly out of or in connection with any breach of any of the respective representations or warranties or non-performance of any covenant to be performed by either Party that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.

ARTICLE 5 **COVENANTS**

5.1 Conduct of Business

Except as expressly provided in this Agreement or except with the prior written consent of the Purchaser, prior to the Closing Time the Vendor shall:

- 5.1.1 the Vendor shall carry on and conduct the business in the ordinary course unless otherwise agreed to by the parties. The Vendor shall maintain all ratios such as inventory levels consistent to the Twelve (12) month rating average;
- 5.1.2 maintain the Premises and the Purchased Assets in reasonable condition and repair, reasonable wear and tear excepted; and
- 5.1.3 maintain its books and records and accounts in the ordinary course of business basis.

5.2 Employment Matters

The Vendor and Purchaser warrant, represent and agree with one another as follows:

- 5.2.1 All employees of the Business as listed in Schedule C as attached hereto (the "Vendor's Personnel"), and certain details of their employment, including salary and bonus structure, are accurately described therein.
- 5.2.2 On or before the Closing Date the Vendor shall issue notice terminating the employment of the Vendor's Personnel.
- 5.2.3 The Purchaser shall, at the same time that the Vendor gives notice to the Vendor's Personnel terminating their employment with the Vendor, subject to and effective on the Closing offer employment to all of the Vendor's Personnel, at the same salary and bonus plans, otherwise on no less favorable terms and conditions, including benefits. Notwithstanding the foregoing, the Vendor shall ensure that all Vendor's Personnel are properly terminated by the Vendor on or before the Closing Date and that all amounts owing to such Vendor's Personnel up to and including the Closing Date, including but not limited to holiday pay, vacation pay, and/or overtime, has been paid in full. The Vendor shall provide proof of all such notices of terminations and requisite payments on or prior to the Closing Date. In regard to all of the Vendor's Personnel that do not accept employment with the Purchaser, the Vendor shall be responsible for all severance owing to such individuals. The Purchaser shall be responsible for all payments that become due and owing to all of the Vendor's Personnel who accept employment with the Purchaser from the day immediately following the Closing Date onward. This includes, but is not limited to any termination notice, termination pay or severance due to the individuals as a result of termination or constructive dismissal claims which occur or are brought after the Closing Date.

ARTICLE 6 **CONDITIONS**

6.1 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Purchased Assets by this Agreement is subject to the following conditions being waived or satisfied to the sole and absolute discretion of the Purchaser;

- 6.1.1 the Purchaser obtaining third party financing, to the Purchaser's sole and absolute satisfaction, that the Purchaser will apply for and be approved (the "Financing Condition");

- 6.1.2 the Purchaser obtaining the approval of GMCC.
- 6.1.3 the Purchaser reviewing and agreeing to accept assignment of the Assigned Contracts in writing.
- 6.1.4 to the extent that Schedule B is incomplete, the Purchaser reviewing and agreeing to a list of the Assigned Contracts in writing.
- 6.1.6 to the extent that Schedule A is incomplete, the Purchaser reviewing and agreeing to a list of the Fixed Assets in writing.
- 6.1.7 to the extent that Schedule C is incomplete the Purchaser reviewing and agreeing to a list of Employees in writing.
- 6.1.8 2416326 Alberta Ltd. and 2672671 Alberta Ltd. shall have entered into a Real Estate Purchase Contract in the form attached hereto as Schedule “F” with a closing date which shall coincide with the Closing Date and all conditions of the said agreement shall have been waived.
- 6.1.9 The Purchaser obtaining all applicable consents and approvals including government approval and clearances including but not limited to worker’s compensation legislation. The Purchaser and Purchaser’s representatives shall have obtained the required AMVIC licensing approval.
- 6.1.10 the Purchaser shall provide a written notice that the Conditions set forth above are waived or satisfied on or before **November 21st**, 2025 (the “Condition Date”) failing which this agreement shall be terminated and the Deposit(s) will be returned to the Purchaser without interest or deduction.
- 6.1.11 The closing of the transaction herein shall be subject to the following additional conditions in favour of the Purchaser, which shall be satisfied or waived by the Purchaser on or before the Closing Date, failing which this agreement shall be terminated and the Deposits will be returned to the Purchaser without interest or deduction:
- The representations, warranties and covenants of the Vendor herein being true and accurate as of the Closing Date; and
 - There will have been no adverse change in the financial position of the Vendor since January 1, 2025, and no event will have happened since, which adversely affects the business of the Vendor.

6.2 **Conditions for the Benefit of the Vendor**

- 6.2.1 2416326 Alberta Ltd. and 2672671 Alberta Ltd. shall have entered into a Real Estate Purchase Contract in the form attached hereto as Schedule “F” with a closing date which shall coincide with the Closing Date and all conditions of the said agreement shall have been waived.

6.3 Mutual Conditions for the Benefit of the Vendor and Purchaser

- 6.3.1 The Purchaser obtaining from GMCC in writing, all franchise consents necessary for the transaction contemplated in this agreement and approval of the Purchaser and the Purchaser's representative as the dealer principal. In this regard, it is intended that the Vendor will assist the Purchaser in making application, and, where necessary attending with the Purchaser in the process of approval.
- 6.3.2 The parties covenant and agree that they will not, by amendment of its certificate of incorporation, bylaws or similar organizational documents, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Agreement.
- 6.3.3 the Purchaser shall provide a written notice that the Conditions set forth above are waived or satisfied on or before _____, 2025 (the "Condition Date") failing which this agreement shall be terminated and the Deposit(s) will be returned to the Purchaser without interest or deduction.

Removal of Conditions and Non-Refundable Deposit

The above conditions are for the sole benefit of the party relying on them and may be waived at any time prior to the appropriate condition removal date. If either party does not provide written notice to the other that the conditions are satisfied or waived the Deposit shall be returned to the Purchaser, this Agreement shall be null and void and neither party shall have any claim against the other.

6.4 Risk of Loss

Up to the Closing Time, the Purchased Assets shall be and remain at the risk of the Vendor. If, prior to the Closing Time, all or any material part of the Purchased Assets are destroyed or damaged by fire or any other casualty, the Purchaser shall have the option, exercisable by notice in writing given within five Business Days of the Purchaser receiving notice in writing from the Vendor of such destruction, damage or expropriation:

- 6.4.1 to complete the purchase without reduction of the Purchase Price in which event all proceeds of insurance or compensation shall be payable to the Purchaser and all right and claim of the Vendor to any such amounts not paid by the Closing Time shall be assigned by the Vendor to the Purchaser; or
- 6.4.2 terminating this Agreement pursuant to this section 6.4.2, in which case the obligations of the Purchaser and the Vendor under this Agreement, other than the obligations contained in sections 7.1 (Public Statements) and 7.2 (Confidentiality), shall terminate.

ARTICLE 7 GENERAL MATTERS

7.1 Public Statements

No public announcement or statement concerning the transactions contemplated by this Agreement shall be made by the Vendor without the prior written consent of the Purchaser nor by the Purchaser (such consent not to be unreasonably withheld or delayed) unless such disclosure is required by Applicable Laws. If such disclosure is required by Applicable Laws, each party shall use commercially reasonable efforts to enable the other parties to review and comment on such disclosure prior to the release thereof and, if such prior review and consultation is not possible, to give oral and written notice of such disclosure immediately following the making of such

disclosure.

7.2 **Confidentiality**

The Purchaser acknowledges that it has had access to confidential and proprietary information concerning the Business and the Employees, customers and suppliers (the “Confidential Information”), the disclosure of which would be detrimental to the interests of the Business. Accordingly, the Purchaser covenants and agrees to keep the Confidential Information in strict confidence and not disclose any of such Confidential Information to any Person or use or attempt to use such Confidential Information. Notwithstanding the foregoing, the Parties will not have liability for any information that is:

- 7.2.1 already in the public domain or comes into the public domain without any breach of this Agreement;
- 7.2.2 required to be disclosed pursuant to Applicable Law or pursuant to any regulatory or judicial authority having jurisdiction over the Parties, provided that the offending party first gives written notice to the other party of such disclosure and the offending party requests in writing confidentiality in respect of such disclosure; or
- 7.2.3 made to a professional advisor of the Parties, in which event the Parties shall ensure that the recipient is aware of and agrees to comply with the terms of this section as if a party to this Agreement.

If for any reason this Agreement is terminated or if any of the Conditions Precedent are not satisfied or waived the Purchaser shall return all Confidential Information in its possession or control to the Vendor or shall confirm that such Confidential Information has been destroyed.

7.3 **Expenses**

Each party shall be responsible for the expenses (including fees and disbursements of its advisors and agents) incurred by it in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated by this Agreement and the Transfer Documents, whether or not Closing occurs.

7.4 **Remedies**

The parties acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any party or its representatives, advisors or agents and that such breach would cause the non-breaching party irreparable harm. Accordingly, the parties agree that, in the event of any such breach or threatened breach of this Agreement by one of the parties, the Vendor (if the Purchaser is the breaching party) or the Purchaser (if the Vendor is the breaching party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof including section 7.4, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or in equity to each of the parties.

7.5 **Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party shall be in writing and may be given by sending same by email, facsimile, prepaid first-class mail or by delivery by hand addressed to the party to which the notice is to be given at the applicable address. Notwithstanding the foregoing, any communication

given under this Agreement by electronic means (including email) shall be effective upon the sender having obtained confirmation of delivery from the recipient.

7.6 **Time of Essence**

Time is of the essence of this agreement

7.7 **Further Assurances**

The Purchaser and the Vendor shall, from time to time and at all times hereafter, at the request of the other but without further consideration, do all such other acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent of this Agreement.

7.8 **Counter-Parts**

This Agreement may be executed by the parties in counterparts and may be delivered by facsimile or other means of electronic communication and all such counterparts, taken together, shall constitute one and the same agreement.

7.9 **Enurement**

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, legal representatives and permitted assigns.

7.10 **Assignment**

The Purchaser may assign this agreement or any of its rights or obligations hereunder to an affiliated corporate body without prior written consent of the Vendor, consent to not be unreasonably withheld.

7.11 **Separate Signing Pages**

For convenience of execution, the balance of this page is intentionally left blank and the signatures of the Parties to this Agreement will appear on the following pages.

IN WITNESS WHEREOF the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

2412170 ALBERTA LTD.

By: 
Name: Mike Koch
Title: Mike koch

PURCHASER: 2672671 ALBERTA LTD.

By: 
Name: Chris Semple
Title: Vice president

SCHEDULE A

LIST OF ASSETS

SCHEDULE B

ASSIGNED CONTRACTS

(to be completed prior to the Condition Date)

SCHEDULE C
LIST OF EMPLOYEES

Name	Employed Since	Salary
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SCHEDULE D

PERSONAL USE: ITEMS LIST

SCHEDULE E

UNDERTAKING AND AGREEMENT TO READJUST

DATED and effective on _____, 2025.

BETWEEN:

2412170 ALBERTA LTD. (the "Vendor")

OF THE FIRST PART

AND:

2672671 ALBERTA LTD. (the
"Purchaser")

OF THE SECOND PART

WHEREAS by an asset purchase agreement dated _____, 2025, between the Purchaser and the Vendor (the "**Asset Purchase Agreement**"), the Purchaser agreed to purchase, and the Vendor agreed to sell certain assets of the Vendor, on the terms and conditions set out in the Asset Purchase Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that notwithstanding the closing of the transaction set forth in the Asset Purchase Agreement, and release of the Purchase Price (as defined in the Asset Purchase Agreement), the parties hereto undertake and agree to readjust all matters as of _____, 2025 (the "**Closing Date**"), in accordance with the following provisions:

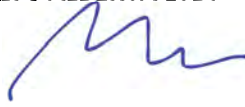
- (i) **Other Errors, Omissions and Changes.** The Vendor and the Purchaser agree to readjust after the Closing Date, any errors, omissions or changes in the final statement of adjustments delivered by the Vendor on the Closing Date and not otherwise provided for in this Agreement, upon either party delivering to the other a complete statement proving such error, omission or change, provided that, in any event, such final adjustment under this Agreement shall be made no later than six (6) months after the Closing Date.
- (ii) **Receipt of Funds.** The Purchaser agrees that if it receives any funds payable to the Vendor in respect of any monies properly payable to the Vendor under the terms of the Asset Purchase Agreement for the period prior to the Closing Date, the Purchaser will hold such funds in trust for the Vendor, promptly notify the Vendor upon receipt of such funds, and endorse or otherwise transfer such funds to the Vendor as the Vendor may so direct.
- (iii) **Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements, and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- (iv) **Terms.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.

THIS AGREEMENT shall survive and not merge upon the closing of the Asset Purchase Agreement and may be executed in counterpart and delivered by facsimile or electronic mail.

DATED and effective as of the date and time set forth above.

2412170 ALBERTA LTD.

Per: _____



2672671 ALBERTA LTD.

Per: _____



SCHEDULE F

Vendor's Solicitor's Opinion Letter

{letter head} _____, 2025

ATTENTION:

Dear Sir:

RE: Asset Purchase Agreement dated _____, 2025 between 2412170 Alberta Ltd. (the "Vendor") and 2672671 Alberta Ltd. (the "Purchaser")

We have acted as solicitors to the Vendor in connection with the above Purchase and Sale of Assets.

As the Vendor's solicitors we are familiar with the purchase and sale documents and we have examined, with respect to the Vendor, all corporate records and documents, statutes, certificates of corporate and public officials and all other instruments as we deemed necessary for the purposes of this opinion except where otherwise noted herein.

On the basis of the foregoing and having regard to such legal consideration as we deem relevant, we are of the opinion that:

1. The Vendor is a corporation properly incorporated and organized under the laws of the Province of Alberta, being the only jurisdiction where it is required to be registered for the purposes of enabling it to carry on its business or own its property.
2. The Vendor is qualified to carry on its business and own its property in all jurisdictions where it currently carries on business or owns property.
3. The purchase and sale documents have been properly executed and delivered by the Vendor;

The foregoing opinions are subject to the following qualifications:

1. The opinions expressed herein relate solely to the laws of the Province of Alberta.
2. The opinions herein are for the sole benefit of, and may only be relied upon by, the persons to whom this letter is addressed.

Sincerely,

JOMHA SKROBOT LLP

Per: _____

SCHEDULE G

Purchaser's Solicitor's Opinion Letter

LETTER HEAD

_____, 2022

JOMHA SKROBOT LLP
10621 124 ST NW
EDMONTON, AB T5N 1S5

ATTENTION: AHMED JOMHA

Dear Sir:

RE: Asset Purchase Agreement dated _____, 2022 between 2412170 Alberta Ltd. (the "Vendor") and 2672671 Alberta Ltd. (the "Purchaser")

We have acted as solicitors to the Purchaser in connection with the above Purchase and Sale of Assets.

As the Purchaser's solicitors we are familiar with the purchase and sale documents and we have examined, with respect to the Purchaser, all corporate records and documents, statutes, certificates of corporate and public officials and all other instruments as we deemed necessary for the purposes of this opinion except where otherwise noted herein.

On the basis of the foregoing and having regard to such legal consideration as we deem relevant, we are of the opinion that:

1. The Purchaser is a corporation properly incorporated and organized under the laws of the Province of Alberta, being the only jurisdiction where it is required to be registered for the purposes of enabling it to carry on its business or own its property.
2. The Purchaser is qualified to carry on its business and own its property in all jurisdictions where it currently carries on business or owns property.
3. The purchase and sale documents have been properly executed and delivered by the Purchaser;

The foregoing opinions are subject to the following qualifications:

1. The opinions expressed herein relate solely to the laws of the Province of Alberta.
2. The opinions herein are for the sole benefit of, and may only be relied upon by, the persons to whom this letter is addressed.

Sincerely,

Per: _____

SCHEDULE H

Acknowledgement of Receipt

We, 2412170 Alberta Ltd., acknowledge the receipt of \$ _____ representing the balance of the full amount owing pursuant to the Asset purchase Agreement dated the ____ day of _____, 2025.

2412170 Alberta Ltd.

Per: _____

We, 2416326 Alberta Ltd., acknowledge the receipt of \$ _____ representing the balance of the full amount owing pursuant to the Commercial Purchase Contract dated the 22nd day of September, 2025.

2416326 Alberta Ltd.

Per: _____

—

SCHEDULE I

REAL ESTATE PURCHASE CONTRACT

Appendix “L” – Westcastle RealCo Sale Agreements

COMMERCIAL PURCHASE CONTRACT

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

PART A - OFFER TO PURCHASE

This Contract is between

THE SELLER

and

THE BUYER

Name 2416326 Alberta Ltd.

Name 2672671 Alberta Ltd.

Name _____

Name _____

1. THE PROPERTY

- 1.1 The Property is the Land, Buildings, Accepted Tenancies, Attached Goods (unless excluded) and included Unattached Goods located at:

Municipal Address: 1100 Waterton Avenue, Pincher AB T0K 1W0

Legal Description: Plan 9311234

Block/Unit 4

Lot 6

Title(s) # 221 247 419

. A copy of the existing Title(s) attached hereto as Schedule "A".
If Condominium Property, legal description and details as described in Commercial Condominium Property Schedule (attached).

- 1.2 All Attached Goods (fixtures) except for: _____

- 1.3 No Unattached Goods (specific chattels) except for: _____

- 1.4 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances: 931 147 341

The Buyer agrees to accept the following tenancies (the "Accepted Tenancies"): _____

Handwritten signature/initials

2. THE TRANSACTION

2.1 The Buyer and the Seller agree to act cooperatively, reasonably and in good faith.

2.2 The Buyer hereby offers to purchase the Property for the Purchase Price specified and allocated below:

\$ _____ Initial Deposit

\$ _____ Additional Deposit

\$ _____

\$ _____ New Financing

\$ _____ Seller Financing (as per attached Financing Schedule)

\$ _____ Other Value

\$ _____

\$ _____ Balance Owning

\$ _____ \$3,750,000.00 Purchase Price (plus GST, if applicable)

2.3 The Purchase Price does not include GST. In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

2.4 Other than the Deposits, the Buyer shall pay the Purchase Price by lawyer's trust cheque, bank draft or other agreed value.

3. DEPOSITS

3.1 All Deposits shall be delivered in trust to _____
Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. _____

3.2 The Initial Deposit shall be deposited no later than the third Business Day following the day that Final Signing occurred (as per clause 17.1) or the third Business Day following the receipt of the Initial Deposit, whichever is last.

3.3 Any Additional Deposits shall be delivered in trust as follows _____
Additional Deposits shall be deposited no later than the third Business Day following the day the Additional Deposit is received.

3.4 In the event that either Deposit(s) are undelivered or returned by the financial institution as funds not cleared or non-sufficient funds, then the Buyer must replace the Deposit(s) by money order, bank draft or lawyer's trust cheque within two (2) Business Days of being notified that the Deposits did not clear. If the Buyer fails to provide the Deposit(s), the Seller may, at its discretion, terminate the Contract by notice in writing to the Buyer within two (2) Business Days.

3.5 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer. _____

3.6 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:

- (a) applied against the Commission and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Seller Brokerage Agreement or other commission agreement signed by the Seller;
- (b) returned forthwith to the Buyer if this offer is not accepted and the cheque has not been deposited;
- (c) refunded forthwith to the Buyer if this offer is not accepted and the Buyer's cheque has cleared the brokerage's trust account;
- (d) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per Section 8) or the Seller fails to perform on this Contract; and
- (e) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.

3.7 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

- 3.8 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:
- (a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposits;
 - (b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
 - (c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposits a reasonable fee and costs incurred for dealing with the Deposits;
 - (d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposits except as arising from the negligence of the brokerage or lawyer.
- 3.9 In the event that the brokerage holding the trust funds ceases to be licensed in real estate, the Buyer and the Seller agree to allow the trust funds to be transferred to the brokerage representing the other party.

4. CLOSING

- 4.1 Subject to compliance with the terms hereof, possession of the Property shall be available and given to the Buyer on or before 12 noon on the 15th day of November, 2025, (the "Completion Day"), subject to the rights of the Accepted Tenancies, if any.
When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.
- 4.2 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.
- 4.3 Closing documents shall:
- (a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a commercial transaction of this nature;
 - (b) include estoppel certificates for each of the Accepted Tenancies (if applicable); and
 - (c) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.
- 4.4 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.
- 4.5 The Seller's lawyer may use the Purchase Price to pay out all mortgages, condominium contributions, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and an estoppel certificate evidencing the payment of all condominium contributions that are the Seller's obligation to pay.
- 4.6 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid. Payment received after noon on any day will be payment as of the next Business Day.
- 4.7 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.
- 4.8 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

5. INSURANCE

- 5.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Seller represents and warrants to the Buyer that:
- (a) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
 - (b) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach upon neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;
 - (c) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Possession Date, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
 - (d) the current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;
 - (e) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
 - (f) the Seller is not in breach of any contract with respect to the Property;
 - (g) the Seller is not in breach of any obligation to any third party with respect to the Property;
 - (h) within the meaning of the *Income Tax Act* (Canada), the Seller is not now nor will be on the Completion Day a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;
 - (i) \$ _____ is the current monthly condominium contribution payable (fee for administrative and other expenses); and
 - (j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.
- 6.2 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.
- 6.3 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no other warranties, representations or collateral agreements made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.
- 6.4 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).
- 6.5 The Buyer shall have the right to register a caveat against the title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, it agrees to forthwith discharge that caveat.

7. ADDITIONAL TERMS

- 7.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.
- 7.2 Neither the Buyer or the Seller shall assign its interest in the Property without the written approval of the other, such approval not to be unreasonably withheld.
- 7.3 All changes of number and gender shall be made where required.
- 7.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta for any dispute that may arise out of this transaction.
- 7.5 The following terms are a part of this Contract:

8. CONDITIONS

8.1 The Buyer's Conditions are:

(a) Financing Condition

It is a condition precedent of this offer that the Buyer, as per clause 2.2, is able to place a new mortgage(s) upon terms acceptable to the Buyer. The Buyer shall have the opportunity to obtain such financing until

Before 5 p.m. on October 15, 2025, (the "Condition Day").

(b) Due Diligence Condition

(i) Within three (3) Business Days of the Final Signing of this Contract, as per clause 17.1, the Seller will provide to the Buyer true copies of all agreements/documents/materials that reasonably relate to the property and to the Buyer's Conditions and which are in the possession of the Seller or under its control (the "Documents"). The Documents will include: any Permitted Encumbrances; Accepted Tenancies; financial records and statements respecting the Property and any operating agreements that the Buyer is to assume; all engineering, mechanical, electrical, plumbing, roof, heating, ventilation, construction or similar reports, assessments, plans, drawing, specifications,

relevant correspondence or work orders; environmental reports; and _____

(ii) The Buyer may also, at its expense, retain consultants to conduct searches and such inspections, reviews and tests and to produce such observations, reports or assessments regarding the Property as it deems necessary, and for these purposes the Buyer and its authorized representatives, acting reasonably, will have access to the Property after Final Signing and during normal business hours. The rights of the existing tenants must be respected and the Buyer will be responsible for all damages caused by its representatives. The Seller will provide the Buyer with such written authorizations and other assistance when reasonably required by the Buyer to facilitate its inspections, reviews or tests.

It is a condition precedent of this offer that the information be satisfactory to the Buyer.

Before 5 p.m. on _____, 20____, (the "Condition Day").

The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

(c) Condominium Documents Condition

This Contract is subject to the Buyer's Condition regarding Condominium Documents as per attached Commercial Condominium Property Schedule. ☐ Yes ☐ No

Before 5 p.m. on _____, 20____, (the "Condition Day").

(d) Additional Buyer's Conditions

See attached schedule B.

Before 5 p.m. on _____, 20____, (the "Condition Day").

8.2 The Seller's Conditions are:

Completion of the transaction is conditional that the Asset Purchase Agreement between 2416326 Alberta Ltd. and 2672671 Alberta Ltd. dated the 22nd day of September, 2025 is completed concurrent to this transaction.

Before 5 p.m. on _____, 20____, (the "Condition Day").

8.3 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

8.4 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day and the Deposit(s) plus any earned interest will be returned to the Buyer and all agreements, documents, materials and written information exchanged between the parties will be returned to the Buyer and Seller respectively.

- 8.5 Subject to clause 8.3, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

9. ATTACHED SCHEDULES

- 9.1 The following Schedules form part of this Contract and are attached:

- | | | |
|--|---|--|
| ☒ Schedule A (copy of Title) | ☐ Schedule B (other documents) | ☐ Financing Schedule |
| ☐ Commercial Condominium Property Schedule | ☐ Addendum | ☐ Seller Financing |
| ☐ Assumption of Mortgage/Agreement for Sale | ☐ Other Value | ☐ Other Schedules _____ |

10. REMEDIES/DISPUTES

- 10.1 If the Seller or the Buyer fails or refuses to complete the Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposits and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

11. SECURITY FOR BROKERAGE REMUNERATION

- 11.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

12. ADVICE

- 12.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.
- 12.2 This Contract may be signed and sent by fax or by email and these procedures will be as effective as signing and delivering an original copy.
- 12.3 Unless there is a written agreement for alternate representation, the Seller's brokerage (including its broker, all associate brokers and associates) represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage (including its broker, all associate brokers and associates) represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.
- 12.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or its real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

13. DEFINITIONS

- 13.1 In this Contract:
- (a) *Business Day* means every day but Saturday, Sunday and statutory holidays.
 - (b) *Commission* means the sum owing from the Seller for services rendered under the Seller Brokerage Agreement plus GST.
 - (c) *Seller Brokerage Agreement* means any written service or commission agreement obligating the Seller to pay remuneration.
 - (d) *Notice* means any notice referred to in this Contract and includes communication of the acceptance of an offer to purchase.
 - (e) *Unless otherwise agreed in writing* means either changes made to the terms of this Contract that are agreed to by both the Seller and the Buyer, or a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

14. REPRESENTATIVES/NOTICE/COMMUNICATION

Note: This section must be filled out in full.

- 14.1** As long as the Representative information in 14.3 is completed, the identified Representatives are authorized to send and receive any Notices, documents and information on behalf of their respective clients in person, by fax, or by email. Buyer and Seller acknowledge there are risks with each of these methods.
- 14.2** Buyer and Seller agree that any Notices, documents and information exchanged between the parties in person, by fax, or by email will be considered effective at the time they are sent.
- 14.3** The following addresses must be used for all communication between Buyer, Seller and their Representatives, unless otherwise stated. If the information changes, Buyer and Seller must tell each other, in writing, through their Representatives, within two Business Days of the change.

Designated Address for Communication:

The Buyer acknowledges that the following is the designated address for communication for all buyers.

Name 2672671 Alberta Ltd.

Address _____

Phone _____

Fax _____

(postal code)

Email _____

Buyer Brokerage Information:

BROKERAGE:

Name _____

Address _____

BROKERAGE REPRESENTATIVE:

Name _____

Address: c/o the Brokerage

(postal code)

Phone _____

Fax _____

Phone _____

Fax _____

Email _____

Email _____

The Seller acknowledges that the following is the designated address for communication for all sellers.

Name Mike Koch

Address 2034 Cranbrook Street

Cranbrook, BC

V1C 3T1
(postal code)

Phone _____

Fax _____

Email mike@arrowvw.com

Seller Brokerage Information:

BROKERAGE:

Name _____

Address _____

BROKERAGE REPRESENTATIVE:

Name _____

Address: c/o the Brokerage

(postal code)

Phone _____

Fax _____

Phone _____

Fax _____

Email _____

Email _____

15. OFFER

15.1 Buyer and Seller agree that an electronic signature, as defined in the *Electronic Transactions Act* (Alberta), or a digitized signature will have the same function as an ink signature.

15.2 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

15.3 This offer/counter offer shall be open for acceptance in writing until _____ .m. on _____ , 20_____.

SIGNED AND DATED at _____ , Alberta at _____ .m. on _____ , 20_____.

2672671 Alberta Ltd.

Name of Buyer (print)

Per: _____

Authorized Signing Officer(s)

Chris Semple

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness _____

Per: _____

Authorized Signing Officer(s)

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness _____

Buyer's GST # _____

PART B - ACCEPTANCE

16. ACCEPTANCE

16.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at _____ , Alberta at _____ .m. on _____ , 20_____.

2416326 Alberta Ltd.

Name of Seller (print)

Per: _____

Authorized Signing Officer(s)

Mike Koch

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness _____

Per: _____

Authorized Signing Officer(s)

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness _____

Seller's GST # _____

17. FINAL SIGNING

17.1 Final Signing of this Contract occurred at _____ .m. on _____ , 20_____.

Initials of the person(s) who signed last _____

CONVEYANCING**BUYER:**Name 2672671 Alberta Ltd.

Name _____

Address _____

Address _____

Phone _____

Fax _____

(postal code)

Phone _____

Fax _____

(postal code)

Email _____

Email _____

BROKERAGE:**BROKERAGE REPRESENTATIVE:**

Name _____

Name _____

Address _____

Address: c/o the Brokerage

Phone _____

Fax _____

(postal code)

Phone _____

Fax _____

Email _____

Email _____

LAWYER:

Name _____

Address _____

Phone _____

Fax _____

(postal code)

Email _____

SELLER:Name 2416326 Alberta Ltd.

Name _____

Address 2034 Cranbrook Street NW

Address _____

Cranbrook, ABV1C3T1

(postal code)

(postal code)

Phone _____

Fax _____

Phone _____

Fax _____

Email _____

Email _____

BROKERAGE:**BROKERAGE REPRESENTATIVE:**

Name _____

Name _____

Address _____

Address: c/o the Brokerage

Phone _____

Fax _____

(postal code)

Phone _____

Fax _____

Email _____

Email _____

LAWYER:Name JOMHA SKROBOT LLPAddress 10621 124 ST NWEDMONTON, ABT5N 1S5Phone 780-420-0688Fax 780-420-0695

(postal code)

Email INFO@JOMHALAW.COM



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0025 170 903 9311234;4;6 221 274 419

LEGAL DESCRIPTION
PLAN 9311234
BLOCK 4
LOT 6
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.932 HECTARES (2.3 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;30;6;23;NE

MUNICIPALITY: TOWN OF PINCHER CREEK

REFERENCE NUMBER: 131 021 409 +1

REGISTERED OWNER(S)				
REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
221 274 419	06/12/2022	TRANSFER OF LAND	\$2,800,000	\$2,800,000

OWNERS

2416326 ALBERTA LTD.
OF 2034 CRANBROOK STREET N
CRANBROOK
BRITISH COLUMBIA V1C 3T1

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION		
NUMBER	DATE (D/M/Y)	PARTICULARS
931 147 341	24/06/1993	UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF PINCHER CREEK. AS TO PORTION OR PLAN:7710845
221 274 420	06/12/2022	MORTGAGE MORTGAGEE - THE TORONTO DOMINION BANK. 421-7 AVE SW, 10TH FL TDCT TOWER

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

221 274 419

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

CALGARY

ALBERTA T2P4K9

ORIGINAL PRINCIPAL AMOUNT: \$2,900,000

221 274 421 06/12/2022 CAVEAT

RE : ASSIGNMENT OF RENTS AND LEASES

CAVEATOR - THE TORONTO DOMINION BANK.

C/O DENTONS CANADA LLP

1500, 850-2 ST SW

CALGARY

ALBERTA T2P0R8

AGENT - DAVID P FENDLEY

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 3 DAY OF
SEPTEMBER, 2025 AT 11:35 A.M.

ORDER NUMBER: 54784602

CUSTOMER FILE NUMBER: 21175



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

SCHEDULE B

- i) On or before October 15, 2025, the Buyer shall have completed its due diligence to its sole satisfaction.
- ii) Completion of the transaction is conditional that the Asset Purchase Agreement between 2416326 Alberta Ltd. and 2672671 Alberta Ltd. dated the 22nd day of September, 2025 is completed concurrent to this transaction.
- iii) GMCC providing 2672671 Alberta Ltd. with approval as a GMCC dealer.

COMMERCIAL PURCHASE CONTRACT

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

PART A – OFFER TO PURCHASE

This Contract is between

THE SELLER

and

THE BUYERName 2416326 Alberta Ltd.Name 2672671 Alberta Ltd.

Name _____

Name _____

1. THE PROPERTY

- 1.1** The Property is the Land, Buildings, Accepted Tenancies, Attached Goods (unless excluded) and included Unattached Goods located at:

Municipal Address: 1100 Waterton Avenue, Pincher AB T0K 1W0Legal Description: Plan 9311234Block/Unit 4Lot 5Title(s) # 231 333 705

. A copy of the existing Title(s) attached hereto as Schedule "A".
If Condominium Property, legal description and details as described in Commercial Condominium Property Schedule (attached).

- 1.2** All Attached Goods (fixtures) except for: _____

- 1.3** No Unattached Goods (specific chattels) except for: _____

- 1.4** Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances: _____

The Buyer agrees to accept the following tenancies (the "Accepted Tenancies"): _____

2. THE TRANSACTION

2.1 The Buyer and the Seller agree to act cooperatively, reasonably and in good faith.

2.2 The Buyer hereby offers to purchase the Property for the Purchase Price specified and allocated below:

\$ _____ Initial Deposit

\$ _____ Additional Deposit

\$ _____

\$ _____ New Financing

\$ _____ Seller Financing (as per attached Financing Schedule)

\$ _____ Other Value

\$ _____

\$ _____ Balance Owning

\$ 50,000.00 _____ Purchase Price (plus GST, if applicable)

2.3 The Purchase Price does not include GST. In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

2.4 Other than the Deposits, the Buyer shall pay the Purchase Price by lawyer's trust cheque, bank draft or other agreed value.

3. DEPOSITS

3.1 All Deposits shall be delivered in trust to _____

Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. _____

3.2 The Initial Deposit shall be deposited no later than the third Business Day following the day that Final Signing occurred (as per clause 17.1) or the third Business Day following the receipt of the Initial Deposit, whichever is last.

3.3 Any Additional Deposits shall be delivered in trust as follows _____
Additional Deposits shall be deposited no later than the third Business Day following the day the Additional Deposit is received.

3.4 In the event that either Deposit(s) are undelivered or returned by the financial institution as funds not cleared or non-sufficient funds, then the Buyer must replace the Deposit(s) by money order, bank draft or lawyer's trust cheque within two (2) Business Days of being notified that the Deposits did not clear. If the Buyer fails to provide the Deposit(s), the Seller may, at its discretion, terminate the Contract by notice in writing to the Buyer within two (2) Business Days.

3.5 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer. _____

3.6 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:

- (a) applied against the Commission and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Seller Brokerage Agreement or other commission agreement signed by the Seller;
- (b) returned forthwith to the Buyer if this offer is not accepted and the cheque has not been deposited;
- (c) refunded forthwith to the Buyer if this offer is not accepted and the Buyer's cheque has cleared the brokerage's trust account;
- (d) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per Section 8) or the Seller fails to perform on this Contract; and
- (e) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.

3.7 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

- 3.8 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:
- (a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposits;
 - (b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
 - (c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposits a reasonable fee and costs incurred for dealing with the Deposits;
 - (d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposits except as arising from the negligence of the brokerage or lawyer.
- 3.9 In the event that the brokerage holding the trust funds ceases to be licensed in real estate, the Buyer and the Seller agree to allow the trust funds to be transferred to the brokerage representing the other party.

4. CLOSING

- 4.1 Subject to compliance with the terms hereof, possession of the Property shall be available and given to the Buyer on or before 12 noon on the 15th day of November, 2025, (the "Completion Day"), subject to the rights of the Accepted Tenancies, if any.
When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.
- 4.2 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.
- 4.3 Closing documents shall:
- (a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a commercial transaction of this nature;
 - (b) include estoppel certificates for each of the Accepted Tenancies (if applicable); and
 - (c) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.
- 4.4 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.
- 4.5 The Seller's lawyer may use the Purchase Price to pay out all mortgages, condominium contributions, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and an estoppel certificate evidencing the payment of all condominium contributions that are the Seller's obligation to pay.
- 4.6 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid. Payment received after noon on any day will be payment as of the next Business Day.
- 4.7 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.
- 4.8 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

5. INSURANCE

- 5.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Seller represents and warrants to the Buyer that:
- (a) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
 - (b) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach upon neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;
 - (c) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Possession Date, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
 - (d) the current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;
 - (e) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
 - (f) the Seller is not in breach of any contract with respect to the Property;
 - (g) the Seller is not in breach of any obligation to any third party with respect to the Property;
 - (h) within the meaning of the *Income Tax Act* (Canada), the Seller is not now nor will be on the Completion Day a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;
 - (i) \$ _____ is the current monthly condominium contribution payable (fee for administrative and other expenses); and
 - (j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.
- 6.2 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.
- 6.3 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are **no other warranties, representations or collateral agreements** made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.
- 6.4 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).
- 6.5 The Buyer shall have the right to register a **caveat** against the title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, it agrees to forthwith discharge that caveat.

7. ADDITIONAL TERMS

- 7.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.
- 7.2 Neither the Buyer or the Seller shall assign its interest in the Property without the written approval of the other, such approval not to be unreasonably withheld.
- 7.3 All changes of number and gender shall be made where required.
- 7.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta for any dispute that may arise out of this transaction.
- 7.5 The following terms are a part of this Contract:

8. CONDITIONS
8.1 The Buyer's Conditions are:
(a) Financing Condition

It is a condition precedent of this offer that the Buyer, as per clause 2.2, is able to place a new mortgage(s) upon terms acceptable to the Buyer. The Buyer shall have the opportunity to obtain such financing until

Before 5 p.m. on October 15, 2025, (the "Condition Day").

(b) Due Diligence Condition

(i) Within three (3) Business Days of the Final Signing of this Contract, as per clause 17.1, the Seller will provide to the Buyer true copies of all agreements/documents/materials that reasonably relate to the property and to the Buyer's Conditions and which are in the possession of the Seller or under its control (the "Documents"). The Documents will include: any Permitted Encumbrances; Accepted Tenancies; financial records and statements respecting the Property and any operating agreements that the Buyer is to assume; all engineering, mechanical, electrical, plumbing, roof, heating, ventilation, construction or similar reports, assessments, plans, drawing, specifications,

relevant correspondence or work orders; environmental reports; and _____

(ii) The Buyer may also, at its expense, retain consultants to conduct searches and such inspections, reviews and tests and to produce such observations, reports or assessments regarding the Property as it deems necessary, and for these purposes the Buyer and its authorized representatives, acting reasonably, will have access to the Property after Final Signing and during normal business hours. The rights of the existing tenants must be respected and the Buyer will be responsible for all damages caused by its representatives. The Seller will provide the Buyer with such written authorizations and other assistance when reasonably required by the Buyer to facilitate its inspections, reviews or tests.

It is a condition precedent of this offer that the information be satisfactory to the Buyer.

Before 5 p.m. on _____, 20____, (the "Condition Day").

The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

(c) Condominium Documents Condition

This Contract is subject to the Buyer's Condition regarding Condominium Documents as per attached Commercial Condominium Property Schedule. ☐ Yes ☐ No

Before 5 p.m. on _____, 20____, (the "Condition Day").

(d) Additional Buyer's Conditions

See attached schedule B.

Before 5 p.m. on _____, 20____, (the "Condition Day").

8.2 The Seller's Conditions are:

Completion of the transaction is conditional that the Asset Purchase Agreement between 2416326 Alberta Ltd. and 2672671 Alberta Ltd. dated the 22nd day of September, 2025 is completed concurrent to this transaction.

Before 5 p.m. on _____, 20____, (the "Condition Day").

8.3 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.
8.4 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day and the Deposit(s) plus any earned interest will be returned to the Buyer and all agreements, documents, materials and written information exchanged between the parties will be returned to the Buyer and Seller respectively.

- 8.5 Subject to clause 8.3, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

9. ATTACHED SCHEDULES

- 9.1 The following Schedules form part of this Contract and are attached:

- | | | |
|--|---|--|
| ☒ Schedule A (copy of Title) | ☐ Schedule B (other documents) | ☐ Financing Schedule |
| ☐ Commercial Condominium Property Schedule | ☐ Addendum | ☐ Seller Financing |
| ☐ Assumption of Mortgage/Agreement for Sale | ☐ Other Value | ☐ Other Schedules _____ |

10. REMEDIES/DISPUTES

- 10.1 If the Seller or the Buyer fails or refuses to complete the Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposits and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

11. SECURITY FOR BROKERAGE REMUNERATION

- 11.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

12. ADVICE

- 12.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.
- 12.2 This Contract may be signed and sent by fax or by email and these procedures will be as effective as signing and delivering an original copy.
- 12.3 Unless there is a written agreement for alternate representation, the Seller's brokerage (including its broker, all associate brokers and associates) represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage (including its broker, all associate brokers and associates) represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.
- 12.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or its real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

13. DEFINITIONS

- 13.1 In this Contract:

- (a) *Business Day* means every day but Saturday, Sunday and statutory holidays.
- (b) *Commission* means the sum owing from the Seller for services rendered under the Seller Brokerage Agreement plus GST.
- (c) *Seller Brokerage Agreement* means any written service or commission agreement obligating the Seller to pay remuneration.
- (d) *Notice* means any notice referred to in this Contract and includes communication of the acceptance of an offer to purchase.
- (e) *Unless otherwise agreed in writing* means either changes made to the terms of this Contract that are agreed to by both the Seller and the Buyer, or a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

14. REPRESENTATIVES/NOTICE/COMMUNICATION

Note: This section must be filled out in full.

- 14.1** As long as the Representative information in 14.3 is completed, the identified Representatives are authorized to send and receive any Notices, documents and information on behalf of their respective clients in person, by fax, or by email. Buyer and Seller acknowledge there are risks with each of these methods.
- 14.2** Buyer and Seller agree that any Notices, documents and information exchanged between the parties in person, by fax, or by email will be considered effective at the time they are sent.
- 14.3** The following addresses must be used for all communication between Buyer, Seller and their Representatives, unless otherwise stated. If the information changes, Buyer and Seller must tell each other, in writing, through their Representatives, within two Business Days of the change.

Designated Address for Communication:

The Buyer acknowledges that the following is the designated address for communication for all buyers.

Name 2672671 Alberta Ltd.

Address _____

(postal code)

Phone _____

Fax _____

Email _____

Buyer Brokerage Information:

BROKERAGE:

BROKERAGE REPRESENTATIVE:

Name _____

Name _____

Address _____

Address: c/o the Brokerage

(postal code)

Phone _____

Fax _____

Phone _____

Fax _____

Email _____

Email _____

The Seller acknowledges that the following is the designated address for communication for all sellers.

Name Mike Koch

Address 2034 Cranbrook Street

Cranbrook, BC

V1C 3T1

(postal code)

Phone _____

Fax _____

Email mike@arrowvw.com

Seller Brokerage Information:

BROKERAGE:

BROKERAGE REPRESENTATIVE:

Name _____

Name _____

Address _____

Address: c/o the Brokerage

(postal code)

Phone _____

Fax _____

Phone _____

Fax _____

Email _____

Email _____

15. OFFER

15.1 Buyer and Seller agree that an electronic signature, as defined in the *Electronic Transactions Act* (Alberta), or a digitized signature will have the same function as an ink signature.

15.2 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

15.3 This offer/counter offer shall be open for acceptance in writing until _____ .m. on _____ , 20_____.

SIGNED AND DATED at _____ , Alberta at _____ .m. on _____ , 20_____.

2672671 Alberta Ltd.

Name of Buyer (print)

Per: _____

Authorized Signing Officer(s)

Chris Semple

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Per: _____

Authorized Signing Officer(s)

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Buyer's GST # _____

PART B - ACCEPTANCE

16. ACCEPTANCE

16.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at _____ , Alberta at _____ .m. on _____ , 20_____.

2416326 Alberta Ltd.

Name of Seller (print)

Per: _____

Authorized Signing Officer(s)

Mike Koch

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Per: _____

Authorized Signing Officer(s)

Witness _____

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Seller's GST # _____

17. FINAL SIGNING

17.1 Final Signing of this Contract occurred at _____ .m. on _____ , 20_____.

Initials of the person(s) who signed last _____

CONVEYANCING

BUYER:

Name 2672671 Alberta Ltd.

Name _____

Address _____

Address _____

Phone _____ Fax _____ (postal code) _____

Phone _____ Fax _____ (postal code) _____

Email _____

Email _____

BROKERAGE:

BROKERAGE REPRESENTATIVE:

Name _____

Name _____

Address _____

Address: c/o the Brokerage

Phone _____ Fax _____ (postal code) _____

Phone _____ Fax _____ (postal code) _____

Email _____

Email _____

LAWYER:

Name _____

Address _____

Phone _____ Fax _____ (postal code) _____

Email _____

SELLER:

Name 2416326 Alberta Ltd.

Name _____

Address 2034 Cranbrook Street NW

Address _____

Cranbrook, AB V1C3T1
(postal code)

_____ (postal code)

Phone _____ Fax _____

Phone _____ Fax _____

Email _____

Email _____

BROKERAGE:

BROKERAGE REPRESENTATIVE:

Name _____

Name _____

Address _____

Address: c/o the Brokerage

Phone _____ Fax _____ (postal code) _____

Phone _____ Fax _____ (postal code) _____

Email _____

Email _____

LAWYER:

Name JOMHA SKROBOT LLP

Address 10621 124 ST NW

EDMONTON, AB

T5N 1S5

Phone 780-420-0688

Fax 780-420-0695

Email INFO@JOMHALAW.COM



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0025 170 895 9311234;4;5 231 333 705

LEGAL DESCRIPTION
PLAN 9311234
BLOCK 4
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;30;6;23;NE

MUNICIPALITY: TOWN OF PINCHER CREEK

REFERENCE NUMBER: 131 021 409

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
231 333 705	30/10/2023	TRANSFER OF LAND	\$50,000	\$50,000

OWNERS

2416326 ALBERTA LTD.
OF 2034 CRANBROOK STREET N
CRANBROOK
BRITISH COLUMBIA V1C 3T1

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
------------------------	--------------	-------------

NO REGISTRATIONS

TOTAL INSTRUMENTS: 000

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 16 DAY OF
SEPTEMBER, 2025 AT 11:30 A.M.

ORDER NUMBER: 54975679

CUSTOMER FILE NUMBER: 21175



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

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INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

SCHEDULE B

- i) On or before October 15, 2025, the Buyer shall have completed its due diligence to its sole satisfaction.
- ii) Completion of the transaction is conditional that the Asset Purchase Agreement between 2416326 Alberta Ltd. and 2672671 Alberta Ltd. dated the 22nd day of September, 2025 is completed concurrent to this transaction.
- iii) GMCC providing 2672671 Alberta Ltd. with approval as a GMCC dealer.

Appendix “M” – TD Payout Email Dated January 2, 2026

From: Kennedy, Robert <robert.kennedy@dentons.com>

Sent: January 3, 2026 4:04 PM

To: Loneragan, Clark <cloneragan@bdo.ca>

Cc: Deryck Helkaa <deryck.helkaa@fticonsulting.com>; Shierman, Lindsay <lindsay.shierman@fticonsulting.com>; Cross, Valerie <valerie.cross@dentons.com>; Regush, John <john.regush@dentons.com>

Subject: [EXT] Westcastle

Clark:

As requested, here are the debt figures as at January 2, 2026:

Facility #	Borrower	Description	Principal	Interest	Total
1	2412170 Alberta Ltd.	Operating Line	\$ 361,693.43	\$ 1,034.04	\$ 362,727.47
2	2412170 Alberta Ltd.	Floorplan	\$ 4,975,478.64	\$ 17,066.38	\$ 4,992,545.02
3	2412170 Alberta Ltd.	VISA *	\$ 77,000.00	\$ -	\$ 77,000.00
4	2416326 Alberta Ltd.	TDCM	\$ 1,812,500.00	\$ 7,235.10	\$ 1,819,735.10
5	2416326 Alberta Ltd.	Term Loan	\$ 107,381.12	\$ 497.04	\$ 107,878.16
6	2416326 Alberta Ltd.	Term Loan	\$ 261,904.72	\$ 1,212.30	\$ 263,117.02
Total Owed to TD			\$ 7,595,957.91	\$ 27,044.86	\$ 7,623,002.77
	Legal Fees up to Nov 30, 2025		\$ 203,477.19	\$ -	\$ 203,477.19
	FTI Consulting WIP up to December 14, 2025		\$ 3,015.00		\$ 3,015.00
Total			\$ 7,802,450.10	\$ 27,044.86	\$ 7,829,494.96

As of January 2, 2026

We are in the process of obtaining A/R and WIP amounts for the period ending December 31, 2026. Those numbers will follow separately.

RK

Robert J. Kennedy

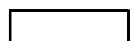
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