

COURT FILE NUMBER

2501 - 13057

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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., 2412170 ALBERTA LTD. AND 2416326 ALBERTA LTD.

DOCUMENT

APPLICATION

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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

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

File no: 0262720.0004

NOTICE TO RESPONDENTS:

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

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

Date: January 22, 2026

Time: 3:30 p.m.

Where: Calgary Courts Centre

Before Whom: The Honourable Justice B. B. Johnston

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

Remedy claimed or sought:

1. All capitalized terms used in this Application and not otherwise defined herein shall have the meaning ascribed to them in the Fifth Report (defined herein).
2. BDO Canada Limited (“**BDO**”), in its capacity as Court-appointed Monitor (in such capacity, the “**Monitor**”) of 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 VW**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, Sun Valley Nissan, and Arrow VW, the “**Operating Debtors**”), Summit S Auto Ltd. (“**Real Co**”), MK Auto K-M Ltd. (“**MK Auto**”), 2351497 Alberta Ltd. (“**235 AB**”) and 1972207 Alberta Ltd. (“**197 AB**”, and together with Vermilion Chrysler, Cranbrook Mitsubishi, Sun Valley Nissan, Western Sport Products, Squamish Chrysler, Castle Ford, Arrow VW, Real Co, MK Auto, and 235 AB, the “**Summit Auto Group**”), 2412170 Alberta Ltd. (“**Westcastle Dealership**”) and 2416326 Alberta Ltd. (“**Westcastle RealCo**”) together with Westcastle Dealership, “**Westcastle GMC**” and together with the Summit Auto Group, the “**Debtors**”) brings this Application for, among other things:
 - (a) an Order, substantially in the form attached as **Schedule “A”**, among other things:
 - (i) deeming service of the Application to be good and sufficient;
 - (ii) extending the Stay Period (defined herein) up to and including March 29, 2026;
 - (iii) approving the actions, activities and conduct of the Monitor, as set out in the Monitor’s Fourth Report, dated January 5, 2026 (the “**Fourth Report**”) and the Monitor’s Fifth Report dated January 14, 2026 (the “**Fifth Report**”, together with the Fourth Report, the “**Reports**”);
 - (iv) approving the fees and disbursements of the Monitor and its legal counsel, Miller Thomson LLP (“**Miller Thomson**”) as set out in the Fifth Report;
 - (v) freezing all vehicles and/or proceeds of sale of vehicles currently subject to security registrations by The Toronto Dominion Bank (“**TD Bank**”) in

Westcastle GMC transferred from Westcastle GMC to The Loan Store/1292709 Alberta Ltd. (“**129 AB**”) or any of their affiliates;

(vi) requiring The Loan Store and 1292709 Alberta Ltd. and any of their affiliates to disclose information related to the vehicles referred to above; and

(b) such further and other relief as the Monitor may request and this Honourable Court may grant.

Grounds for making this application:

3. The facts in support of this Application are set out in the Affidavit of Jon Gil, sworn August 15, 2025 (the “**Gil Affidavit**”) and the Fifth Report.

CCAA Proceedings Summit Auto Group

4. The Summit Auto Group is an automotive dealership group that operates seven (7) car dealerships in Alberta and British Columbia (the “**Dealerships**”). Since its formation, the Summit Auto Group has expanded through acquisitions to position itself as a multi-Original Equipment Manufacturer (“**OEM**”) branded dealership group.

5. The Summit Auto Group sells cars manufactured by the following OEMs: Volkswagen, Mitsubishi, Nissan, Stellantis (i.e. Chrysler, Dodge, Jeep, and Ram) and Ford.

6. BMO is the operating lender for the Operating Debtors and is their senior secured lender.

7. Upon the application of BMO, and pursuant to the Order of the Court of King’s Bench of Alberta (the “**Court**”) issued August 22, 2025 (the “**Initial Order**”), BDO was appointed as the Monitor of the Summit Auto Group (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”).

8. The Initial Order provided the following relief:

(a) expanded the powers on the Monitor in these proceedings, including authorizing the Monitor to:

(i) take actions and steps to manage, operate, and carry on the businesses of the Summit Auto Group, including the authority to enter into contractual arrangements on behalf of the Summit Auto Group;

- (ii) 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;
 - (iii) continue the Debtors engagement of Full Circle Automotive Solutions Inc. ("**Full Circle**") as the Chief Restructuring Officer ("**CRO**") in these CCAA Proceedings;
 - (iv) take possession of, preserve, protect, and exercise control over the property of the Summit Auto Group, including the Summit Auto Group's bank accounts;
 - (v) report to, meet, discuss, and share information with affected persons on all matters relating to the Summit Auto Group's businesses and property;
 - (vi) oversee and direct the preparation and dissemination of financial and other information of the Summit Auto Group, including cash flow statements;
 - (vii) proceed to continue negotiations for the sale of the Dealerships; and
 - (viii) market and sell the assets of the Summit Auto Group;
- (b) granted an initial stay of proceedings to September 1, 2025, of all proceedings, right and remedies that might be taken in respect of to the Debtors (the "**Stay Period**");
- (c) approved the Monitor's borrowing certificate mechanism (the "**Monitor's Borrowing Certificate**") for allowing the Monitor to borrow funds directly from BMO through the issuance of a Monitor's Certificate;
- (d) granted the following charges over the Summit Auto Group's property (collectively, the "**Charges**"):
 - (i) an Administration Charge in the maximum amount of \$350,000 (the "**Administration Charge**") in favour of BMO, counsel to BMO, the Monitor, the Monitor's counsel, the CRO and the CRO's counsel (if any);

- (ii) a Monitor's Borrowing Charge (the "**Monitor's Borrowing Charge**") up to the maximum amount of \$500,000 with a super priority subject only to the Administration Charge; and
 - (iii) a Directors' Charge (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Charges**") to a maximum amount of \$250,000 subordinate to the Administration Charge and Monitor's Borrowing Charge.
- 9. The Initial Order was amended and restated on August 27, 2025 pursuant to an Order of the Court (the "**ARIO**").
- 10. The ARIO, among other things:
 - (a) extended the Stay Period to September 26, 2025;
 - (b) increased the maximum amount under the Administration Charge from \$350,000 to \$750,000; and
 - (c) increased the maximum amount under the Monitor's Borrowing Charge from \$500,000 to \$3.5 million.
- 11. On September 19, 2025, the Honourable Justice C. C. J. Feasby granted Orders, among other things:
 - (a) extending the Stay Period to November 21, 2025;
 - (b) approving the Monitor's activities, conduct, and fees, including the fees of its legal counsel Miller Thomson;
 - (c) declaring that the Charges are applicable to various personal property registry creditors;
 - (d) enhancing the Monitor's investigatory powers; and
 - (e) approving a sale investment solicitation process in respect of the Summit Auto Group (the "**SISP**").
- 12. On November 19, 2025, the Honourable Justice M. H. Bourque granted:

- (a) an approval and vesting order, among other things, approving and authorizing 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 10, 2025;
- (b) an approval and vesting order, among other things, approving and authorizing the sale transaction (the “**Castle Ford Transaction**”) 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;
- (c) an ancillary relief order, among other things:
 - (i) extending the Stay Period up to and including January 30, 2026;
 - (ii) approving the actions, activities and conduct of the Monitor;
 - (iii) approving the fees and disbursements of the Monitor and its legal counsel;
and
 - (iv) authorizing the Monitor to make distributions to BMO in its capacity as both interim lender and senior secured lender.

Westcastle GMC

- 13. Westcastle GMC operated a Chevrolet, Buick and GMC dealership in Pincher Creek, Alberta. Westcastle GMC’s business and assets were intertwined with those of the Summit Auto Group.
- 14. Westcastle GMC is a subsidiary of the Summit Auto Group, and MK Auto is the sole voting shareholder. TD Bank is Westcastle GMC’s senior secured creditor.
- 15. It was initially contemplated that Westcastle GMC would be part of the CCAA Proceedings. However, as TD Bank is the primary secured creditor and not BMO, the Summit Auto Group determined Westcastle GMC was to remain outside of the CCAA Proceedings.

16. On September 22, 2025, Westcastle GMC entered into an asset purchase agreement and two real estate purchase contracts (together, the “**Westcastle GMC Sale Agreements**”), pursuant to which Westcastle GMC sold substantially all of their operating assets (the “**Westcastle GMC Assets**”) to 2672671 Alberta Ltd., a third-party purchaser (the “**Westcastle Dealership Purchaser**”, and such transactions, the “**Westcastle GMC Transactions**”).
17. The Westcastle GMC Transactions closed on December 19, 2025, without shareholder consent nor the consents of TD Bank, necessitating the inclusion of Westcastle GMC in the CCAA Proceedings.
18. On January 7, 2026, the Court granted an order (the “**Westcastle GMC CCAA Order**”), including Westcastle GMC in the within CCAA Proceedings. Additionally, the Westcastle GMC CCAA Order, among other things:
 - (a) confirmed that TD Bank is to be treated as an unaffected creditor in the CCAA Proceedings;
 - (b) granted an administration charge in the maximum amount of \$150,000 (the “**Westcastle Administration Charge**”) in favour of counsel to BMO, the Monitor, the Monitor’s counsel, and the CRO charging the Westcastle GMC Assets; and
 - (c) authorizing a distribution to the sales agent in the amount of \$105,000 for the Westcastle GMC Transactions.
19. The Court also granted an order vesting all of the rights, title and interests of Westcastle GMC in the Westcastle Dealership Purchaser, free and clear of all encumbrances pursuant to certain Westcastle GMC Sale Agreements.
20. The Westcastle GMC CCAA Order was amended and restated on January 9, 2026 pursuant to an Order of the Court (the “**Amended and Restated Westcastle GMC CCAA Order**”).
21. The Amended and Restated Westcastle GMC CCAA Order (all capitalized terms not defined below are as defined in the Amended and Restated Westcastle GMC CCAA Order):
 - (a) increased the maximum amount under the Westcastle Administration Charge from \$150,000 to \$250,000;

- (b) provided for a Westcastle Borrowing Charge in the maximum amount of \$150,000;
 - (c) authorized a distribution to TD Bank;
 - (d) created a holdback for a Claims Reserve; and
 - (e) authorized a payment to counsel for Westcastle GMC in respect of the Westcastle GMC Transactions.
22. The Monitor is facilitating the closing of the Westcastle GMC Transactions and developing a claims process in respect of any creditors and stakeholders of Westcastle GMC.

Extension of Stay Period

23. The Stay Period pursuant to the ARIO expires on January 30, 2026, and the Monitor, pursuant to its enhanced powers, seeks to further extend the Stay Period up to and including March 29, 2026 (the “**Extended Stay Period**”).
24. The Second Revised Cash Flow Forecast (as defined in the Fifth Report) demonstrates that the Debtors have sufficient cash to operate during the Extended Stay Period through borrowings from BMO pursuant to the Monitor’s Borrowing Certificates, and a \$1 million reserve from the Castle Ford Transaction sales proceeds which is expected to be received in early February 2026.
25. The Extended Stay Period is reasonable in light of the Second Revised Cash Flow Forecast and provides the Debtors and the Monitor with time to stabilize the operations of the businesses and to pursue further going concern sales of the businesses, conduct its forensic analysis of any flow funds or transactions, and administer a claims process for the Westcastle GMC Assets for creditors and interested stakeholders.
26. The Debtors, through the Monitor with its enhanced powers, have been acting and continue to act in good faith and with due diligence. Since the ARIO, the Debtors, through the Monitor, have worked diligently to, among other things:
- (a) work with management to stabilize the businesses of the Debtors;
 - (b) manage and carry on the businesses of the Debtors;
 - (c) facilitate the closing of the Arrow VW Transaction and Castle Ford Transaction;

- (d) seek relief to include Westcastle GMC within the ambit of the CCAA Proceedings;
and
 - (e) manage ongoing stakeholder and creditor requests.
27. It is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that the Stay Period be extended.

Freezing of Transferred Vehicles

28. Less than 3 months prior to the inclusion of Westcastle GMC in the within CCAA Proceedings, the former director Mr. Michael Koch transferred vehicles to The Loan Store/129 AB or related entities for little or no consideration (the “**Transferred Vehicles**”).
29. The purported consideration for the Transferred Vehicles was settlement of an alleged debt owed by Westcastle GMC to The Loan Store/129 AB or its affiliates.
30. The Transferred Vehicles were subject to TD Bank’s security registered in the Personal Property Registry (the “**TD Security**”).
31. The transfer of the Transferred Vehicles by Westcastle GMC, authorized by former director Mr. Michael Koch, was made either at undervalue or with the effect of giving The Loan Store or 129 AB or their affiliates a preference over the TD Security and other creditors of Westcastle GMC.
32. The transfer of the Transferred Vehicles is void as against the Monitor pursuant to sections 95 and/or 96 of the *Bankruptcy and Insolvency Act*, as incorporated in the CCAA by section 36.1.
33. The Monitor is still investigating the fair market value and the actual consideration received by Westcastle GMC respecting the Transferred Vehicles.
34. The Court has authority to make any Order it finds appropriate in respect of the CCAA Proceeding under section 11 of the CCAA.
35. The Monitor seeks an Order freezing the Transferred Vehicles in order to preserve the Transferred Vehicles for the benefit of Westcastle GMC’s creditors and stakeholders.
36. The Monitor should be relieved of the requirement to post an undertaking in damages in respect of the proposed freezing order as it is an Officer of the Court.

Actions, Activities and Conduct

37. The Monitor seeks approval of its actions, activities and conduct.
38. The Monitor has acted diligently since its appointment to exercise its mandate.
39. The Monitor's actions, activities and conduct as detailed in the Reports, are appropriate, reasonable and consistent with the Monitor's powers under the Initial Order as amended by the ARIO.

Approval of Fees and Disbursements

40. The Monitor seeks approval of its professional fees and disbursements as well as those of its legal counsel, Miller Thomson.
41. The Monitor's professional fees and disbursements and those of its counsel, Miller Thomson, as set out in the Fifth Report are reasonable and appropriate and should be approved by this Honourable Court.
42. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

43. Affidavit of John Gil, sworn August 15, 2025;
44. Fourt Report of the Monitor date January 5, 2026, filed;
45. Fifth Report of the Monitor dated January 14, 2026, to be filed; and
46. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

47. *Alberta Rules of Court*, Alta. Reg. 124/2010, including rules 1.1, 1.2, 1.3, 6.1, 6.2, and 6.3.
48. *Companies' Creditor Arrangement Act*, R.S.C. 1985, c. C-36, including ss. 11, 11.02(2) and 36.1.
49. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, including ss 95 and 96.

50. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

51. None.

How the application is proposed to be heard or considered:

52. Via Webex before the Honourable Justice B. B. Johnston on the Commercial List.

WARNING

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

SCHEDULE "A"

Proposed form of Order (Stay Extension and Ancillary Matters)

COURT FILE NUMBER 2501 - 13057
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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., 2412170
ALBERTA LTD. AND 2416326 ALBERTA LTD.

DOCUMENT

ORDER

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

Attention: James W. Reid / Monica Faheim / Pavin Takhar
Telephone: 403.298.2418 / 416.597.6087/ 403.298.2432
E-mail: jwreid@millerthomson.com
mfaheim@millerthomson.com
ptakhar@millerthomson.com
File No.: 0262720.0004

DATE ON WHICH ORDER WAS PRONOUNCED: January 22, 2026
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B. B. Johnston
LOCATION OF HEARING: Calgary Courts Centre

UPON the application of BDO Canada Limited ("**BDO**"), in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**") of 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 VW**"), 2437342 Alberta Ltd. ("**Squamish Chrysler**", with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, Sun Valley Nissan, and Arrow VW, the "**Operating Debtors**"), Summit S Auto Ltd. ("**Real Co**"), MK Auto K-M Ltd. ("**MK Auto**"), 2351497 Alberta Ltd. ("**235 AB**") and 1972207 Alberta Ltd. ("**197 AB**"), 2412170 Alberta Ltd. ("**Westcastle Dealership**") and 2416326 Alberta Ltd. ("**Westcastle RealCo**", and together with

Vermilion Chrysler, Cranbrook Mitsubishi, Sun Valley Nissan, Western Sport Products, Squamish Chrysler, Castle Ford, Arrow VW, Real Co, MK Auto, and 235 AB, and 197 AB the “**Debtors**”);

AND UPON having read the Application filed January 14, 2026, the Monitor’s Fourth Report, dated January 5, 2026 (the “**Fourth Report**”); the Monitor’s Fifth Report, dated January 14, 2026 (the “**Fifth Report**”, together with the Fourth Report, the “**Reports**”);

AND UPON reviewing the CCAA Initial Order granted by the Court in these proceedings on August 22, 2025, as amended and restated by the Amended and Restated Initial Order granted by Court on August 27, 2025 (the “**ARIO**”);

AND UPON having read the Affidavit of Service of Maria Ceko, sworn January [●], 2026;

AND UPON hearing counsel for the Monitor, counsel for the Bank of Montreal, and counsel to all other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE AND INTERPRETATION

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient, if applicable, and this application is properly returnable today.
2. Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the ARIO.

EXTENSION OF STAY PERIOD

3. The Stay Period, as ordered and defined in paragraph 13 of the ARIO, is hereby extended from January 30, 2026, up to and including March 29, 2026.

FREEZING OF TRANSFERRED VEHICLES

4. All vehicles formerly belonging to Westcastle GMC transferred to The Loan Store or 1292709 Alberta Ltd. or any of their affiliates subject to security registrations in favour of The Toronto Dominion Bank, as listed in the PPR search attached to the Fourth Report of the Monitor in this Action at Appendix B of Appendix H (the “**Vehicles**”) are hereby

frozen, and no person shall move, transfer or otherwise deal with the Vehicles except by further Order of this Court.

5. Any and all proceeds of sale of any of the Vehicles that may be in the possession of The Loan Store or 1292709 Alberta Ltd. or any of their affiliates are hereby frozen, and no person shall move, transfer or otherwise deal with such proceeds of sale except by further Order of this Court.
6. The Loan Store and 1292709 Alberta Ltd. and their affiliates, or any of them, are hereby directed to provide a list of all of the Vehicles presently in their possession and their current locations and a list of all of the Vehicles that have been sold along with details of the sale and the location of any proceeds of sale, with supporting documents, to the Monitor within 3 days of this Order.
7. The Monitor is not required to provide an undertaking in damages in respect of this Order.

MONITOR'S ACTIVITIES AND PROFESSIONAL FEES

8. The Monitor's actions, activities, and conduct as disclosed and reported in the Reports, are hereby ratified and approved.
9. The Monitor's accounts for its fees and disbursements, as set out in the Fifth Report, are hereby approved without the necessity of a formal passing or assessment of its accounts.
10. The accounts of the Monitor's legal counsel, Miller Thomson LLP, for its fees and disbursements, as set out in the Fifth Report, are hereby approved without the necessity of a formal passing or assessment of its accounts.

SERVICE

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