

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 **MONITOR**
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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 ARIIO, 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 chatted 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 pre-filing 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 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 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 A

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
BDO CANADA LIMITED
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- 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 that 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 to 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:



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

APPENDIX B



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 **MONITOR**
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- 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

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
AUGUST 22, 2025 TO NOVEMBER 23, 2025
PRESENTED IN CANADIAN DOLLARS (\$ CAD)

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Week Ending		8/31/2025	9/7/2025	9/14/2025	9/21/2025	9/28/2025	10/5/2025	10/12/2025	10/19/2025	10/26/2025	11/2/2025	11/9/2025	11/16/2025	11/23/2025	
Receipts															
	Notes														
New Vehicle Sales	1	1,562,381	1,899,305	1,200,337	1,765,674	2,375,555	1,899,305	1,200,337	1,765,674	2,375,555	1,899,305	1,200,337	1,765,674	2,375,555	23,284,998
Used Vehicle Sales	1	1,256,210	1,432,406	973,723	1,402,446	1,841,156	1,432,406	973,723	1,402,446	1,841,156	1,432,406	973,723	1,402,446	1,841,156	18,205,407
Parts & Service Sales	2	189,481	188,211	193,574	178,208	189,481	188,211	193,574	178,208	189,481	188,211	193,574	178,208	189,481	2,437,903
GST/PST Collected	3	317,509	326,823	253,323	345,325	433,464	326,823	253,323	345,325	433,464	326,823	253,323	345,325	433,464	4,394,313
Total Receipts		3,325,581	3,846,745	2,620,958	3,691,654	4,839,657	3,846,745	2,620,958	3,691,654	4,839,657	3,846,745	2,620,958	3,691,654	4,839,657	48,322,621
Operating Disbursements															
Finance Product Costs	4	24,300	12,150	20,250	211,115	24,300	12,150	20,250	211,115	24,300	12,150	20,250	24,300	211,115	827,745
Lien Payouts	5	856,967	762,089	683,811	917,622	1,099,589	762,089	683,811	917,622	1,099,589	762,089	683,811	917,622	1,099,589	11,246,297
Parts Purchases	6	88,316	89,057	91,050	83,367	88,316	89,057	91,050	83,367	88,316	89,057	91,050	83,367	88,316	1,143,686
Payroll (Including Taxes)	7	449,810	-	-	207,415	-	414,829	-	189,924	-	379,848	-	172,434	-	1,814,259
Employee Benefits	8	-	43,029	-	-	-	9,566	33,463	-	-	-	43,029	-	-	129,087
Consultants Fees	9	-	12,000	-	-	-	-	22,000	-	-	-	22,000	-	-	56,000
Corporate Credit Card Repayment	10	-	-	75,000	-	-	-	75,000	-	-	-	75,000	-	-	225,000
Vendor Payments	11	35,285	135,285	35,285	35,285	35,285	135,285	35,285	35,285	35,285	111,285	59,285	35,285	35,285	758,702
Rent Payments	12	-	61,589	13,000	-	-	61,589	13,000	-	-	7,189	67,400	-	-	223,767
Insurance Payments	13	4,500	-	22,576	-	-	4,500	22,576	-	-	4,500	22,576	-	-	81,228
Professionals & Restructuring Costs	14	325,000	75,000	15,000	210,000	20,000	210,000	90,000	150,000	20,000	150,000	90,000	150,000	20,000	1,525,000
Contingency	15	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	325,000
GST/PST Paid	16	53,155	41,808	29,719	52,740	16,555	58,198	39,739	45,540	16,555	41,590	49,147	31,915	30,179	506,841
GST/PST Remittance (Refund)	17	-	-	-	-	-	-	-	1,500,404	-	-	-	-	1,501,266	3,001,670
Debt Service															
Floor Plan Payments to/(from) BMO	18	1,917,815	2,467,401	1,461,043	2,192,086	3,014,901	2,467,401	1,461,043	2,192,086	3,014,901	2,467,401	1,461,043	2,192,086	3,014,901	29,324,112
BMO Floor Plan Interest	19	-	168,500	-	-	-	-	153,500	-	-	-	143,500	-	-	465,500
Bank Fees and Charges	20	-	27,917	-	-	-	-	27,917	-	-	-	27,917	-	-	83,751
Total Disbursements		3,780,146	3,920,825	2,471,735	3,934,630	4,323,945	4,249,664	2,793,635	5,350,344	4,323,945	4,050,109	2,881,009	3,632,009	6,025,651	51,737,645
Net Cash Inflow/(Outflow)		(454,565)	(74,080)	149,223	(242,976)	515,712	(402,919)	(172,677)	(1,658,690)	515,712	(203,364)	(260,051)	59,644	(1,185,994)	
Cumulative Net Cash Flow		(454,565)	(528,645)	(379,422)	(622,398)	(106,686)	(509,605)	(682,282)	(2,340,972)	(1,825,260)	(2,028,623)	(2,288,674)	(2,229,030)	(3,415,024)	(3,415,024)
Opening Cash Balance		-	(454,565)	(528,645)	(379,422)	(622,398)	(106,686)	(509,605)	(682,282)	(2,340,972)	(1,825,260)	(2,028,623)	(2,288,674)	(2,229,030)	-
Net Cash Inflow/(Outflow)		(454,565)	(74,080)	149,223	(242,976)	515,712	(402,919)	(172,677)	(1,658,690)	515,712	(203,364)	(260,051)	59,644	(1,185,994)	(3,415,024)
Closing Cash Balance	21	(454,565)	(528,645)	(379,422)	(622,398)	(106,686)	(509,605)	(682,282)	(2,340,972)	(1,825,260)	(2,028,623)	(2,288,674)	(2,229,030)	(3,415,024)	(3,415,024)

COMBINED CASH FLOW FORECAST FOR THE PERIOD
AUGUST 22, 2025 TO NOVEMBER 23, 2025
PRESENTED IN CANADIAN DOLLARS (\$ CAD)

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

In preparing this cash flow forecast (the "13-Week Cash Flow Forecast") the Chief Restructuring Officer (the "CRO") of Summit Auto Group has relied upon unaudited financial information and the CRO has 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 Summit Auto Group (the "Monitor") has prepared the 13-Week Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings.

Assumptions:

- 0 Given the first day of the CCAA Proceedings (August 22, 2025) falls on a Friday, it has been included as part of Week 1 of the 13-Week Cash Flow Forecast.
- 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.
- 2 Parts and service sales calculated based on historical sales figures and sales mix.
- 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 potential lien payout amounts calculated based on forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 6 Calculated using historical average gross margin on projected parts sales.
- 7 Payroll made up of salaried employee and hourly employee 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.
- 8 Continuation of employee benefit plan with the Companies' current insurance provider.
- 9 External consultants brought-in by the CRO to help stabilize the operation of dealerships.
- 10 Periodic repayment of the BMO Mastercard used for operating expenses.
- 11 Payment of go-forward vendor payments, consistent with historical weekly run rate. Of the vendor payments total, dealer management systems and data processing related expenses account for a significant portion.
- 12 Rent payments of Squamish, Cranbrook Mitsubishi and Western Sport Products to third parties.
- 13 Continuation of insurance policy premiums to be paid as scheduled.
- 14 Costs of the Monitor and its counsel, the CRO, the Companies' counsel, the sales agent, and BMO's counsel.
- 15 Contingency is assumed to cover unanticipated costs.
- 16 GST and PST paid on disbursements.
- 17 GST and PST remittance paid monthly for previous month's net GST collected and PST collected.
- 18 Represents the net of principal repayment of floor line financing on vehicles sold and/or financing provided to purchase of vehicles or trade ins.
- 19 Estimated based on latest floor line principal balance and the interest rate as stated in its loan agreement.
- 20 Miscellaneous Bank fees and charges paid to BMO on a monthly basis.
- 21 Cash shortfall to be funded through Monitor's Borrowing Certificates.

APPENDIX D

Summit Auto Group
Cumulative Budget to Actual Comparison
August 22, 2025 to September 5, 2025
(\$ CAD)

	Cumulative			Notes
	Budget	Actual	Variance F(U)	
Receipts				
New Vehicle Sales	3,461,686	2,538,101	(923,585)	The cumulative unfavorable variance is primarily attributable to the CRO's review of sales contracts, which resulted in the rejection of certain deals due to buyers being ineligible for financing. In addition, several financial institutions have paused providing auto loans submitted by the Dealerships on behalf of the buyer, further impacting sales activity. The variance is expected to be temporary, with sales anticipated to improve as operations stabilize.
Used Vehicle Sales	2,688,616	272,795	(2,415,821)	Similar to new vehicle sales, the unfavorable variance reflects the CRO's review of sales contracts and the temporary pause of auto loan availability by several financial institutions. In addition, given the significant amount of aged inventory, the CRO and the Monitor are reviewing the inventory status and developing a realization plan to accelerate used vehicle sales. Accordingly, the variance is considered timing-related, with sales expected to pick up in the coming weeks.
Parts & Service Sales	377,692	193,891	(183,801)	Variance due to key parts suppliers suspending transactions with the group due to CCAA notice, coupled with lower service volumes. Parts and service sales are expected to increase as these suppliers have reinstated the account with the group.
GST/PST Collected	644,332	181,981	(462,351)	Variance is attributable to the related decrease in vehicles, parts, and service sales.
Total Receipts	7,172,326	3,186,769	(3,985,557)	
Disbursements				
Vehicle Purchases	-	344,395	(344,395)	Vehicles purchased or taken in as dealer trades during the period. These vehicles are expected to be resold in the upcoming weeks, with proceeds to be reflected in future receipts.
Finance Product Costs	36,450	20,254	16,196	
Lien Payouts	1,619,056	514,549	1,104,507	Cumulative variance is attributable to the related decrease in car sales.
Parts Purchases	177,373	56,953	120,420	Favorable variance is attributable to certain parts vendors continuing to offer trade terms, reducing immediate cash outflows, and to the Monitor's ongoing reconciliation of parts billings with OEMs to exclude pre-filing amounts in the early days of the CCAA Proceedings. The variance is considered temporary and is expected to reverse in the upcoming weeks as parts and service sales increase and OEMs resume regular billing.
Payroll (Including Taxes)	449,810	252,780	197,030	Variance 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. Contractor amounts classified within vendor payments may be reclassified upon further review.
Employee Benefits	43,029	7,267	35,762	Variance is due to a lower employee levels and as more personnel are engaged and paid as contractors than initially forecasted, coupled with the timing of certain benefit payments.
Consultants Fees	12,000	-	12,000	
Corporate Credit Card Repayment	-	-	-	
Vendor Payments	170,570	140,428	30,142	The variance includes some contractor payments that are currently classified within vendor payments rather than payroll, which may be reclassified upon further review. Adjusting for this, the favorable variance increase is primarily attributable to certain vendors continuing to extend trade terms, while those requiring COD are being managed through the use of a corporate credit card.
Rent Payments	61,589	-	61,589	The variance is due to timing, as pre-authorized debit arrangements were cancelled and rent being paid by EFT. The variance is expected to reverse in upcoming weeks.
Insurance Payments	4,500	30,405	(25,905)	Variance is attributable to timing of payments.
Professionals & Restructuring Costs	400,000	17,464	382,536	Temporary timing difference expected to catch up as invoices are received from professionals.
Contingency	50,000	-	50,000	This is anticipated to be a temporary timing variance to account for unexpected expenditures.
GST/PST Paid	94,963	36,179	58,784	Variance is in line with lower disbursements during the period.
GST/PST Remittance (Refund)	-	375,021	(375,021)	The Companies have remitted amounts relating to pre-filing periods and intend to submit a revised return. Accordingly, part or the majority of this variance is considered timing-related and expected to be reversed.
Debt Service				
Floor Plan Payments to/(from) BMO	4,385,216	(232,149)	4,617,365	Floor plan payouts were halted during the first two weeks of the period due to the ongoing review of BMO's security. The security review was completed in Week 2, and the variance is expected to partially reverse as floor plan payouts resume. In addition, part of the variance is expected to reverse in future periods as vehicle sales activity picks up.
BMO Floor Plan Interest	168,500	150,536	17,964	
Bank Fees and Charges	27,917	8,912	19,005	
Total Disbursements	7,700,973	1,722,993	5,977,980	
Opening Balance	-	-	-	
Net Cash Inflow/(Outflow)	(528,647)	1,463,775	1,992,422	
Ending Balance	(528,647)	1,463,775	1,992,422	
Maximum Borrowing Charge	3,500,000	3,500,000		
Less: Borrowing Charge Used	(528,647)	-		
Remaining Availability	2,971,353	3,500,000		

APPENDIX E

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On August 22, 2025, upon 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 VW**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, Sun Valley Nissan, and Arrow VW, the “**Dealerships**”), 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**” or the “**Companies**”), the Summit Auto Group was granted an initial order (as amended and restated on August 27, 2025, and as may be further amended or amended and restated from time to time, the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**” and the “**CCAA Proceedings**”) by the Court of King’s Bench of Alberta (the “**Court**”).
2. The Initial Order, among other things:
 - (a) appointed BDO Canada Limited as the monitor of the Companies (in such capacity and not in its personal or corporate capacity, the “**Monitor**”) and expanded the powers of the Monitor;
 - (b) appointed Full Circle Automotive Solutions Inc. as the chief restructuring officer of the Companies (in such capacity, the “**CRO**”);
 - (c) approved a borrowing certificate mechanism, allowing the Monitor to borrow funds directly from BMO through the issuance of borrowing certificates;
 - (d) granted priority charges to secure fees and disbursements of the Monitor, counsel to the Monitor, counsel to BMO, the CRO and the CRO’s counsel;
 - (e) approved the continued involvement of the Companies’ sales agent, the Tim Lamb Group (the “**Sales Agent**”); and
 - (f) authorized the Monitor to pursue all avenues of sale or investment of the Companies’ assets or businesses, in whole or in part, subject to prior approval of the Court of any material sale.
3. On September 19, 2025, the Court granted an Order (the “**Sale Process Approval Order**”) approving this sale and investment solicitation process (“**SISP**”).
4. This SISP provides for the marketing and sale of the equity in the Companies’ businesses and assets, including its seven (7) dealerships and related assets (the “**Dealership Asset(s)**”) and its owned real estate assets (collectively with the Dealership Assets, the “**Property**”) for the purposes of soliciting (a) offers to acquire all or substantially all of the business and Property of the Companies, and (b) offers of investment in the businesses of the Companies.
5. The SISP sets out the manner in which: (a) binding offers for executable Transactions (defined below) involving the businesses and/or all, substantially all or any portion of the Property of the

Companies will be solicited from interested parties (the “**Opportunity**”); (b) any such offers received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.

6. The SISP will be conducted by the Monitor and the Sales Agent in the manner set forth herein and in accordance with the Sale Process Approval Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.

OPPORTUNITY

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

“AS IS, WHERE IS BASIS”

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

TIMELINE

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

MILESTONE	DEADLINE
Go to market	As soon as practicable and in any event no later than September 19, 2025 (12:00 PM MT)
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

12. As set out at paragraph 40 below, 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: NOTICE OF THE SISP

13. As soon as reasonably practicable, but in any event by no later than Monday September 19, 2025:

- (a) 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 SISP (collectively, the “**Known Potential Bidders**”); and
- (b) the Sales Agent, with the approval of the Monitor, will prepare:
 - (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor which inures to the benefit of any purchaser of the business or Property of the Companies, or any portion thereof (the “**NDA**”).

14. 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.

POTENTIAL BIDDERS AND DUE DILIGENCE MATERIALS

15. Any party who wishes to participate in the SISP (“**Potential Bidder(s)**”) must provide to the Sales Agent an executed NDA and a letter (“**Interest Letter**”) setting forth (a) the identity of the Potential Bidder, (b) the contact information for such Potential Bidder, (c) full disclosure of the direct and indirect principals of the Potential Bidder, and (d) evidence of financial wherewithal to close a Transaction. Additionally, the Sales Agent, with the approval of the Monitor, may require that a Potential Bidder provide the Sales Agent with a statement of qualification (“**SoQ**”) which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder.

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

Non-Binding Expressions of Interest

20. To be considered for inclusion in the next round of the process, a Potential Bidder must deliver an Expression of Interest (“EOI”) so as to be received by the Monitor and Sales Agent at the address specified in Schedule “1” hereto (including by e-mail) not later than **12:00 PM (Mountain Time) on Friday October 3, 2025**, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Monitor. While EOI’s may be non-binding, at a minimum an EOI should describe in sufficient detail all material matters relating to the proposed Transaction and include clear statements with respect to the following:
 - (a) Indication of deal structure, including but not limited to, particulars setting out whether the Potential Bidder intends to:
 - (i) make an investment in Summit Automotive Group (subscribe for the issuance of shares or refinance Summit Automotive Group, etc., being an “**Investment Proposal**”),
 - (ii) acquire all, substantially all, or a portion of the Property (with an outright purchase of the shares of Summit Automotive Group, being a “**Share Purchase Proposal**” and a purchase of select, all or substantially all of the assets of the Summit Automotive Group, being an “**Asset Purchase Proposal**”, and collectively with a Share Purchase Proposal or Investment Proposal, a “**Proposal**”;
 - (b) Identity of the entity or entities seeking to enter into a Transaction, including the identity of any entity that controls such entity. Additionally, given the nature of the Companies’ businesses, if the Proposal involves an acquisition of one or more Dealership Asset, then

the EOI must state the individual/party that will be the dealer principal with the applicable Original Equipment Manufacturer (the “**OEM**”).

- (c) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
- (d) Proposed financing for the Transaction and, if the Transaction is to be financed by means other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
- (e) Nature of additional diligence required before entering into a Binding Bid (defined below);
- (f) Assumptions and intentions with respect to retention of management and employees;
- (g) Any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI and/or submission of a Binding Bid is conditional on any other items;
- (h) The Property included or excluded from the Transaction;
- (i) The liabilities, if any, to be assumed as part of the Transaction;
- (j) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
- (k) Contact information for those individuals who should be contacted with respect to the EOI; and
- (l) Disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

Evaluation and Selection of EOIs

- 21. An EOI will be evaluated based upon several factors including, without limitation:
 - (a) the Purchase Price and the net value provided by such bid;
 - (b) the identity, circumstances and ability of the Potential Bidder to successfully complete such Proposal;
 - (c) factors affecting the speed, certainty and value of the Transaction, including, without limitation, the terms and conditions required to complete the Transaction;
 - (d) the assets included or excluded from the Proposal;
 - (e) the liabilities that are to be assumed as part of the Proposal;
 - (f) any restructuring costs that would arise from the Proposal; and
 - (g) the likelihood and timing of consummating such Transaction, each as determined by the Monitor in consultation with the Sales Agent, the CRO and BMO.
- 22. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday**

October 7, 2025, or at such later time as the Monitor deems appropriate, in consultation with the Sales Agent and BMO.

Binding Bid

23. Potential Bidders with Selected EOIs that wish to make a formal Proposal (a “**Bidder**”) shall submit a binding bid (the “**Binding Bid**”) that complies with all of the following requirements of the Monitor and the Sales Agent at the Monitor’s and Sales Agent’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Monitor and Sales Agent not later than **12:00 PM (Mountain Time) on Friday October 24, 2025** or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Monitor (the “**Binding Bid Deadline**”):
- (a) the Binding Bid must be a binding offer in respect of:
 - (i) an Investment Proposal;
 - (ii) a Share Purchase Proposal; and/or
 - (iii) an Asset Purchase Proposal,and in each case, delivered in the form of a signed agreement based upon the relevant template, if any, included in the VDR with all exhibits and schedules thereto completed (a “**Definitive Transaction Agreement**”) and accompanied by (i) a blackline against the relevant template, and (ii) a letter stating that the Binding Bid is irrevocable until the selection of the Successful Bidder (as defined below), or Backup Bidder (as defined below), as applicable provided that if such Bidder is selected as the Successful Bidder or the Backup Bidder, its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder.
 - (b) the Binding Bid is accompanied by written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed Transaction, that will allow the Monitor and the Sales Agent to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed Transaction;
 - (c) the Binding Bid is not conditional on, (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Companies or the Binding Bidder receiving any approvals or amendments relating to the supply management, distribution and licence agreements required to operate any Dealership Asset (other than the dealer principal individual/party approval by the applicable OEM);
 - (d) the Binding Bid fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such Binding Bid (including the dealer principal individual/party with the applicable OEM);
 - (e) for a Share Purchase Proposal or Asset Purchase Proposal, the Binding Bid includes:
 - (i) the Purchase Price in Canadian dollars (by asset type and Summit Automotive Group entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;

- (ii) a description of the Property that is expected to be subject to the Transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the manner in which the Transaction will be funded;
 - (iv) a description of the conditions and approvals required to close the Transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and the liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Proposal to the Transaction; and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit in an amount equal to the greater of: 10% of the Purchase Price offered or \$250,000 per Dealership Asset, upon the Bidder being selected as the Successful Bidder, which deposit shall be dealt with in accordance with the relevant Definitive Transaction Agreement.
- (f) for an Investment Proposal, the Binding Bid includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Companies (or any one of them) in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the Transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit in an amount equal to the greater of: 10% of the total new investment contemplated or \$250,000 per Dealership Asset, upon the Bidder being selected as the Successful Bidder, which deposit will be dealt with in accordance with the relevant Definitive Transaction Agreement.
- (g) the Binding Bid includes acknowledgements and representations of the Bidder that the Bidder:

- (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Companies prior to making its offer;
 - (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Binding Bid; and
 - (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Companies (or any one of them), or the Property, or accuracy or completeness of any information provided in connection therewith;
- (h) the Binding Bid is received by the Binding Bid Deadline; and
- (i) the Binding Bid contemplates closing the Transaction set out therein no later than **Wednesday December 3, 2025**, subject to obtaining Court approval.
24. Following the Binding Bid Deadline, the Sales Agent, the Monitor and BMO will assess the Binding Bids received. The Sales Agent, with the approval of the Monitor and BMO, will, based on the factors set out at paragraph 29 below, designate the most competitive Binding Bids that comply with the foregoing requirements to be “**Qualified Bids**”. Only Bidders whose bids have been designated as Qualified Bids (“**Qualified Bidder(s)**”) are eligible to become the Successful Bidder(s).
25. The Sales Agent shall notify each Bidder in writing as to whether its Binding Bid constitutes a Qualified Bid by no later than **Friday October 31, 2025**, or at such later time as the Monitor deems appropriate.
26. The Monitor, in consultation with the Sales Agent and BMO, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Binding Bid to be a Qualified Bid.
27. In the event that the Monitor, in consultation with the Sales Agent and BMO, is not satisfied with the number or terms of the Qualified Bids, the Monitor may, in consultation with the Sales Agent and BMO, extend the Binding Bid Deadline or otherwise amend the SISP as provided for herein.
28. The Monitor may, in consultation with the Sales Agent and BMO, aggregate separate and non-overlapping Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

29. A Qualified Bid will be evaluated based upon several factors including, without limitation: the Purchase Price and the net value provided by such bid; the identity, circumstances and ability of the Bidder to successfully complete such Transaction; the proposed Definitive Transaction Agreement and any accompanying or related transaction documents; factors affecting the speed, certainty and value of the Transaction; the assets included or excluded from the Transaction; the liabilities that are to be assumed as part of the Transaction; any restructuring costs that would arise from such Transaction; and the likelihood and timing of consummating such Transaction, each as determined by the Sales Agent, the Monitor and BMO.

Finalization of Definitive Transaction Agreement(s)

30. Each Qualified Bidder shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement by **Friday October 31, 2025**, unless extended by the Monitor, in consultation with BMO, subject to the milestones or deadlines set forth in paragraph 11.

Selection of Successful Bid

31. The Monitor, in consultation with the Sales Agent and BMO, will, by 5:00 p.m. MT on Monday November 3, 2025:
- (a) review each Qualified Bid, the finalized Definitive Transaction Agreement and accompanying transaction documents with consideration of the following:
 - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the likelihood of the applicable OEM accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a Transaction by **Wednesday December 3, 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, if required; the net benefit to the Companies; and
 - (vi) 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.

Sale Approval Application

32. A Court date will be scheduled to hear an application to approve any Transaction with the Successful Bidder (the "**Sale Approval Application**"). At the Sale Approval Application, the Monitor or the Companies shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid and Backup Bid, if any, shall be deemed to be rejected by the Monitor on and as of the date of approval of the Successful Bid by the Court (with such Backup Bid to be held in abeyance in the event that the Transaction

contemplated in the Successful Bid fails to close on or before **Wednesday December 3, 2025**, for whatever reason).

Confidentiality and Access to Information

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

Supervision of the SISP

36. The Sales Agent shall conduct the SISP, with the oversight of the Monitor in the manner set out in this SISP procedure and is entitled to receive all information in relation to the SISP.
37. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Companies or the Sales Agent, the Monitor or BMO, and any Potential Bidder, any Bidder, Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Companies and/or Monitor.
38. Without limiting the preceding paragraph, the Sales Agent and Monitor or BMO shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, Qualified Bidder, the Successful Bidder, the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Sales Agent or Monitor. By submitting a bid or otherwise participating in the SISP, each Potential Bidder, Bidder, Qualified Bidder and Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent and Monitor or BMO for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Sales Agent or Monitor.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.
40. Notwithstanding the process and deadlines outlined above with respect to the SISP, the Monitor may at any time in consultation with the Sales Agent and BMO:
 - (a) pause, terminate, amend or modify the SISP;

- (b) remove any portion of the businesses and the Property from the SISP, including any Dealership Assets or any one of the Summit Auto Group entities to pursue a transaction arising out of the Companies' pre-filing sales process;
- (c) bring an application to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set out in the SISP; and
- (d) establish further or other procedures for the SISP,

provided that, notwithstanding any other provision of the SISP, the deadline to close any Transaction in respect of the Property or the business (the "**Outside Date**") may not be extended later than Wednesday December 3, 2025 without the consent of BMO; and (b) the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein and a copy thereof shall be posted on the Monitor's website.

Schedule "1"

Address of the Monitor and Sales Agent

To the Monitor:

BDO Canada Limited

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

Attention: Clark Lonergan or Heron Yin

Email: clonergan@bdo.ca

Email: hyin@bdo.ca

c/o

Miller Thomson LLP

43rd Floor, Eighth Avenue Place East, 525 – 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attention: James W Reid or Monica Faheim

Email: jwreid@millerthomson.com

Email: mfaheim@millerthomson.com

To the Sales Agent:

Tim Lamb Group

4449 Easton Way #200,
Columbus, OH

Attention: Gordie Gerbrandt

Email: gordie@timlambgroup.com

APPENDIX F



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 G

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.

SUMMARY OF PROFESSIONAL FEES
FOR THE PERIOD OF APRIL 1, 2025 TO AUGUST 31, 2025

Invoice #	Period	Fees Incurred	Disbursements	Subtotal	GST	Total
CINV3599901	April 1, 2025 to August 31, 2025	\$223,219.50	\$2,421.39	\$225,640.89	\$11,282.04	\$236,922.93
Total Monitor's Fees		\$223,219.50	\$2,421.39	\$225,640.89	\$11,282.04	\$236,922.93
4163963	August 11, 2025 to August 29, 2025	\$91,796.00	\$3,465.08	\$95,261.08	\$4,719.32	\$99,980.40
Total Monitor's Legal Counsel Fees		\$91,796.00	\$3,465.08	\$95,261.08	\$4,719.32	\$99,980.40
Total Professional Fees		\$315,015.50	\$5,886.47	\$320,901.97	\$16,001.36	\$336,903.33