



FORCE FILED

No. S-261991
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

6511 SUSSEX HEIGHTS DEVELOPMENT LTD.

RESPONDENT

NOTICE OF APPLICATION

NAME OF APPLICANT: KSV Restructuring Inc. (“**KSV**”), in its capacity as the Court-appointed monitor (in such capacity, the “**Monitor**” or the “**Applicant**”) of 6511 Sussex Heights Development Ltd. (“**6511 Sussex**”).

To: the service list attached hereto as Schedule “A”.

TAKE NOTICE that an application will be made by the Applicant to the Honourable Justice Masuhara at the courthouse at 800 Smithe Street, Vancouver, BC on April 17, 2026, at 9:00 a.m. for the orders set out in Part 1 below.

The Applicant estimates that the application will take 60 minutes.

- This matter is within the jurisdiction of an associate judge.
- This matter is not within the jurisdiction of an associate judge.

PART 1: ORDER SOUGHT

1. An order (the “**Amended and Restated Initial Order**”), substantially in the form attached hereto as Schedule “B”, amending and restating the Initial Order (as defined below) in the manner reflected in the redline attached hereto as Schedule “C”, for the purposes of, among other things:

- (a) abridging the time for service of the within application;

- (b) extending the stay of proceedings in favour of 6511 Sussex (the “**Stay of Proceedings**”) to and including July 24, 2026 (the “**Stay Extension**”);
 - (c) declaring that, during the Stay Extension, the Superintendent of Real Estate shall not require 6511 Sussex or the Monitor, for and on behalf of 6511 Sussex, to file a new disclosure statement under subsection 16(2) of the *Real Estate Development Marketing Act*, S.B.C. 1004, c. 41, as amended (“**REDMA**”) nor take any steps that would otherwise trigger a purchaser’s right of rescission under REDMA, and any rights and remedies of purchasers to rescind purchase agreements with 6511 Sussex or the Monitor, for and on behalf of 6511 Sussex, are stayed and suspended save and except for the exercise of purchasers’ rights of rescission under subsections 21(2)(a) and 21(2)(b)(i) of REDMA;
 - (d) enhancing the Monitor’s powers; and
 - (e) elevating the priority of the Administration Charge (as defined below).
2. An order (the “**Stalking Horse Sale Procedure Order**”), substantially in the form attached hereto as Schedule “D”, among other things:
- (a) abridging the time for service of the within application;
 - (b) approving the sale process attached as Schedule “B” to the proposed Stalking Horse Sale Procedure Order (the “**Stalking Horse Sale Procedure**”), and authorizing the Monitor to carry out the Stalking Horse Sale Procedure in accordance with its terms and the terms of the Stalking Horse Sale Procedure Order; and
 - (c) authorizing and empowering the Monitor, *nunc pro tunc*, to enter into the stalking horse agreement of purchase and sale (the “**Stalking Horse APS**”), between the Monitor and KingSett Mortgage Corporation (“**KingSett**”), solely for the purposes of acting as the stalking horse bid in the Stalking Horse Sale Procedure (the “**Stalking Horse Bid**”).
3. Such other relief as this Honourable Court deems just.

PART 2: FACTUAL BASIS

Background

4. 6511 Sussex is a single purpose entity incorporated pursuant to the *Business Corporations Act*, S.B.C. c. 57, as amended.
5. 6511 Sussex was previously engaged in the development of a 48-story mixed-use tower located at 6511 Sussex Avenue, Burnaby, BC (the “**Highline Project**”), consisting of, among other things, 332 strata lots, and a designated hotel component (the “**Hotel Component**”), which was sold to a third-party. 6511 Sussex is currently the registered owner of 119 remaining strata lots (collectively, the “**Highline Property**” or the “**Remaining Units**”).
6. In connection with the Highline Project, 6511 Sussex entered into a commitment letter dated March 5, 2024 (the “**Commitment Letter**”), among, *inter alios*, 6511 Sussex, as borrower, Minoru View Homes Ltd. and Minoru Square Development GP Ltd., in its capacity as the general partner for and on behalf of Minoru Square Development Limited Partnership, as guarantors, and KingSett as lender. Pursuant to the Commitment Letter, KingSett provided a first mortgage loan in the principal amount of \$176,500,000 (the “**Highline Loan**”).
7. The payment and performance of 6511 Sussex’s obligations in respect of the Highline Loan are secured by, among other things:
 - (a) a first mortgage/charge in the principal amount of \$283,750,000 and an assignment of rents against the Highline Project in favour of KingSett; and
 - (b) a general security agreement dated March 20, 2024, between 6511 Sussex, as grantor, and KingSett, as grantee.

The Receivership Proceedings

8. On December 13, 2024, KingSett obtained an order of this Court (as amended and restated on January 20, 2025 and October 3, 2025, the “**Receivership Order**”) pursuant to

subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended, among other things, appointing KSV as the receiver (in such capacity, the “**Receiver**”) of the Highline Property and all right, title and interest of 6511 Sussex in all presently owned or held personal property of whatsoever nature and kind pertaining to the Highline Property, including the proceeds thereof (the “**Receivership Proceedings**”).

9. To facilitate the sale of the Remaining Units and the distribution of the proceeds arising therefrom, the Receiver sought and obtained the following orders in the Receivership Proceedings:
 - (a) an order dated October 17, 2025 (the “**Amended Sale Process Order**”), approving an amended sale process (the “**Amended Sale Process**”) with respect to the Remaining Units and the retention of Anthem Properties Group Ltd. and Anthem Realty Ltd. (together, “**Anthem**”) to act as the sales agent in the Amended Sale Process pursuant to a Sale, Marketing and Customer Services Agreement dated September 24, 2025, and subject to the filing of a disclosure statement amendment by the Receiver as contemplated under REDMA, authorizing the Receiver and Anthem to carry out the Amended Sale Process in accordance with its terms and the Amended Sale Process Order;
 - (b) an order dated October 17, 2025 (the “**Amended and Restated AVO**”) (i) authorizing the Receiver to sell, pursuant to any sale agreements arising from the Amended Sale Process that satisfy prescribed sale conditions (each, a “**Sale Agreement**”), any and all of the Remaining Units including all fixtures and chattels in each case, as designated and described in the applicable Sale Agreement (each, a “**Purchased Unit**”), and to assign the exclusive use of any parking stalls and/or storage lockers in connection therewith, and (ii) upon delivery to the applicable purchaser of a certificate substantially in the form attached as Schedule “C” to the Amended and Restated AVO (in each case, a “**Receiver’s Certificate**”), vesting the Purchased Unit described in such Receiver’s Certificate in the applicable

purchaser free and clear of any and all claims and encumbrances (other than certain specified permitted encumbrances); and

- (c) an order dated October 17, 2025 (the “**Amended and Restated Ancillary Order**”), authorizing certain distributions from the purchase price paid for each Purchased Unit, and increasing the maximum permitted borrowings under the Receivership Order and granting a corresponding increase to the Receiver’s Borrowings Charge (as defined in the Receivership Order).¹

The Monitor’s Appointment

10. On April 9, 2026, KingSett obtained an order (the “**Initial Order**”) of this Court pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), among other things:

- (a) appointing KSV as the Monitor of 6511 Sussex, with certain enhanced powers, including to develop and seek approval of a sale process in respect of the 6511 Sussex Property (as defined below) or the shares in the capital of 6511 Sussex, and negotiate and seek approval of a stalking horse sale agreement, for and on behalf of 6511 Sussex, in respect of the 6511 Sussex Property or the shares in the capital of 6511 Sussex;
- (b) granting the Stay of Proceedings until and including April 17, 2026 (the “**Initial Stay Period**”); and
- (c) granting a charge over all of 6511 Sussex’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**6511 Sussex Property**”), up to a maximum amount of \$250,000 (the “**Administration Charge**”) in favour of the Monitor and the Monitor’s counsel, as security for their respective fees and disbursements.

¹ Both the maximum permitted borrowings under the Receivership Order and the Receiver’s Borrowings Charge were subsequently increased to \$8,110,000 pursuant to an order granted on December 19, 2025. The Amended and Restated Ancillary Order was further amended and restated pursuant to an order granted on April 9, 2026, to permit certain distributions to KingSett.

11. The relief sought pursuant to the Initial Order was intended to facilitate the preparation and implementation of the Stalking Horse Sale Procedure and was limited to that reasonably necessary during the Initial Stay Period. The Monitor now brings the within application in these CCAA proceedings (the “**CCAA Proceedings**”) to obtain the relief necessary to implement and conduct the Stalking Horse Sale Procedure.

Extending the Stay of Proceedings

12. The Stay of Proceedings under the Initial Order will expire on April 17, 2026. Pursuant to the proposed ARIO, the Monitor is seeking to extend the Stay of Proceedings to and including July 24, 2026.
13. The proposed Stay Extension will enable the Monitor to implement and conduct the Stalking Horse Sale Procedure, with a view to identifying a value-maximizing transaction for the benefit of 6511 Sussex and its stakeholders.
14. 6511 Sussex is forecast to have sufficient liquidity throughout the proposed Stay Extension.

Relief From REDMA

15. In addition to the Stay Extension, the Monitor seeks to expand the scope of the Stay of Proceedings pursuant to the proposed ARIO to relieve and protect it and 6511 Sussex from certain obligations and remedies under REDMA. Namely, to relieve the Monitor and 6511 Sussex from any obligation under REDMA to file a new disclosure statement, and any rights and remedies afforded to purchasers thereunder to rescind purchase agreements to which 6511 Sussex or the Monitor, for and on behalf of 6511 Sussex, are party, save and except for those under subsections 21(2)(a) and 21(2)(b)(i) of REDMA.
16. The proposed expansion of the Stay of Proceedings to certain obligations and remedies under REDMA is intended to reduce the administrative burden imposed on the Monitor and the costs of the CCAA Proceedings, and preserve the Sale Agreements that materialize in the Amended Sale Process. As the Receiver continues to comply with its obligations under REDMA in the Receivership Proceedings, the proposed extension of the Stay of Proceedings is not expected to materially prejudice any purchasers.

Enhancing the Monitor's Powers

17. As referenced above, the Initial Order granted the Monitor certain enhanced powers to enable it to deal with the 6511 Sussex Property, administer the CCAA Proceedings, negotiate the Stalking Horse APS and prepare the Stalking Horse Sale Procedure during the Initial Stay Period. Pursuant to the proposed ARIO, the Monitor seeks to expand its existing powers to authorize and empower it to, among other things:
 - (a) engage, retain, or terminate or cause 6511 Sussex to engage, retain or terminate the services of any employee, consultant, agent, representative, advisor, manager, contractor, subcontractor, broker or other persons, as the Monitor deems necessary or appropriate to assist with the exercise of its powers and duties or those of 6511 Sussex or to assist in 6511 Sussex's restructuring;
 - (b) disclaim, in accordance with the CCAA, any contracts of 6511 Sussex;
 - (c) perform or cause 6511 Sussex to perform such other functions or duties, and enter into or cause 6511 Sussex to enter into any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist in 6511 Sussex's restructuring or the Receivership Proceedings, including, without limitation, the realization and/or sale of all or any part of the 6511 Sussex Property in accordance with the ARIO, any other order of this Court in the CCAA Proceedings or the Receivership Proceedings and the CCAA, the collection and distribution of any net proceeds of the Property (collectively, the "**Proceeds**"), and the construction, maintenance, completion or delivery of any of the Remaining Units; and
 - (d) apply to this Court for an order approving the distribution and/or allocation of the Proceeds and any vesting or other order the Monitor deems necessary or desirable to convey the 6511 Sussex Property or any part thereof.
18. The foregoing powers are intended to ensure that the Monitor has the authority to deal with, protect and maximize the value of the 6511 Sussex Property and efficiently administer the CCAA Proceedings.

The Stalking Horse Sale Procedure

19. The Monitor developed the proposed Stalking Horse Sale Procedure in consultation with the Stalking Horse Bidder to solicit interest in, and opportunities for, a sale of all or substantially all of the 6511 Sussex Property (each, a “**Sale**”). The Stalking Horse Sale Procedure is intended to be conducted contemporaneously with the Amended Sale Process and provide a flexible, efficient and fair process for canvassing the market for potential purchasers and maximizing the value of the 6511 Sussex Property.
20. The proposed Stalking Horse Sale Procedure comprises two phases. The first phase of the Stalking Horse Sale Procedure requires the submission of non-binding letters of intent (each, an “**LOI**”) by Phase 1 Qualified Bidders (as defined in the Stalking Horse Sale Procedure) by no later than 5:00 p.m. (Pacific Time) on May 20, 2026 (the “**LOI Deadline**”). The second phase of the Stalking Horse Sale Procedure requires the submission by Phase 2 Qualified Bidders (as defined in the Stalking Horse Sale Procedure) of binding offers (each, a “**Final Bid**”) by no later than 5:00 p.m. (Pacific Time) on June 19, 2026 (the “**Final Bid Deadline**”).
21. An LOI will only constitute a Qualified LOI (as defined in the Stalking Horse Sale Procedure) if the following conditions, among others, are satisfied:
 - (a) it is submitted by a Phase 1 Qualified Bidder, and received by the Monitor, on or before the LOI Deadline;
 - (b) it identifies the aggregate purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder, key assumptions supporting the valuation, and any proposed deductions or adjustments, which purchase price must be at least equal to the Stalking Horse Purchase Price (as defined below), plus \$750,000 (the “**Minimum Bid Increment**”);
 - (c) it contains a description of the 6511 Sussex Property that is expected to be subject to the Sale and any of the 6511 Sussex Property, and obligations or liabilities arising in connection with the 6511 Sussex Property, expected to be excluded;

- (d) it contains a specific indication of the financial capability, together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
 - (e) it identifies all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and
 - (f) it contains an acknowledgement that any Sale will be on an “as is, where-is” basis.
22. If the Monitor does not receive any LOIs or any LOIs that, based on the Monitor’s assessment, constitute a Qualified LOI or are likely to result in the submission of a Phase 2 Qualified Bid (other than the Stalking Horse Bid) by the Final Bid Deadline, then the Stalking Horse APS will be deemed to be the Successful Bid (as defined below).
23. A Final Bid will only be considered a Qualified Final Bid (as defined in the Stalking Horse Sale Procedure) if the following conditions, among others, are satisfied:
- (a) it is submitted by a Phase 2 Qualified Bidder, and received by the Monitor, on or before the Final Bid Deadline;
 - (b) it provides for the payment in full and in cash of at least the Stalking Horse Purchase Price and the Minimum Bid Increment (together, the “**Cash Consideration**”);
 - (c) it includes a letter stating that the Final Bid is irrevocable until there is a Successful Bid, provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder (as defined below) or the Backup Bidder (as defined in the Stalking Horse Sale Procedure), its Final Bid shall remain an irrevocable offer until the earlier of (i) two (2) business days after the completion of the sale to the Successful Bidder and (ii) August 19, 2026;
 - (d) it provides written evidence, satisfactory to the Monitor, of (i) a firm, irrevocable financial commitment for all required funding or financing and/or (ii) evidence of the Phase 2 Qualified Bidder’s financial wherewithal to close the bid using unencumbered funds on hand;

- (e) given the ongoing Amended Sale Process, it identifies (i) the Remaining Units that are required to be owned by 6511 Sussex as of the closing date of the transaction and (ii) any adjustments to the purchase price that may result from the sale of any of the Remaining Units prior to the closing date of the transaction;
 - (f) it does not include any request for or entitlement to any expense reimbursement, termination fee, break fee or similar type of payment;
 - (g) it provides for an assumption of liabilities and other economic terms that are at least as favourable in the aggregate as those in the Stalking Horse APS; and
 - (h) it is accompanied by a refundable cash deposit in the amount 10% of the Cash Consideration, to be held and dealt with in accordance with the Stalking Horse Sale Procedure.
24. If one or more Qualified Final Bids (other than the Stalking Horse Bid) have been received by the Monitor on or before the Final Bid Deadline, the Monitor will proceed with an auction process (the “**Auction**”) to determine the Successful Bid(s) in accordance with the procedures prescribed by the Stalking Horse Sale Procedure. At the end of any such Auction, the Monitor shall select the successful bid (the “**Successful Bid**”, with such bidder being the “**Successful Bidder**”).
25. If the Monitor determines that no Qualified Final Bids other than the Stalking Horse APS were received or that it is unlikely that the transactions contemplated by the Qualified Final Bid(s) received will be consummated, then the Stalking Horse APS will be deemed to be the Successful Bid.
26. Subject to Court availability, the Monitor will apply to the Court for an order, among other things, approving the Successful Bid and the Backup Bid (as defined in the Stalking Horse Sale Procedure), as applicable, no later than fifteen business days following the selection or deemed selection of the Successful Bid.

The Stalking Horse APS

27. To enhance the efficacy of the proposed Stalking Horse Sale Procedure, establish a reasonable, appropriate and competitive purchase price for the 6511 Sussex Property therein and ensure an efficient conclusion to the Receivership Proceedings as they pertain to 6511 Sussex and the CCAA Proceedings, the Monitor has negotiated and entered into the Stalking Horse APS with the Stalking Horse Bidder.
28. The Stalking Horse APS contemplates a reverse vesting transaction, pursuant to which the Stalking Horse Bidder will subscribe for new common shares in 6511 Sussex (the “**Purchased Interests**”). If consummated, the Stalking Horse APS will result in the satisfaction of 6511 Sussex’s indebtedness to KingSett and any indebtedness of 6511 Sussex in priority thereto.
29. The material terms of the Stalking Horse APS include the following:
 - (a) As is Where is. The Purchased Interests (and indirectly, the Retained Assets (as defined in the Stalking Horse APS)) are being sold and purchased and the transaction is being effected on an “as-is, where-is” and “without recourse” basis, without any representation, warranty or covenant other than as set out in the Stalking Horse APS.
 - (b) Purchase Price. The purchase price (collectively, the “**Stalking Horse Purchase Price**”) for the Purchased Interests consists of the following amounts: (i) an amount equal to the Highline Indebtedness (as defined in the Stalking Horse APS); (ii) an amount equal to the Receiver’s Borrowings (as defined in the Stalking Horse APS); (iii) an amount equal to the Retained Liabilities (as defined in the Stalking Horse APS), payable on, accruing to, or arising prior to the Closing; (iv) an amount equal to the Priority Payables (as defined in the Stalking Horse APS); and (v) an amount equal to the Reserve (as defined in the Stalking Horse APS).
 - (c) Conditions Precedent. The completion of the transaction contemplated under the Stalking Horse APS is conditional upon, among other things: (i) the Stalking Horse

Bid being selected as the Successful Bid; and (ii) the granting of the Reverse Vesting Order (as defined in the Stalking Horse APS).

- (d) Outside Date. August 19, 2026 (the “**Outside Date**”).
- (e) Termination. In addition to other customary events of termination, the Stalking Horse APS will be terminated automatically if: (i) the Stalking Horse Sale Procedure Order is not granted by the Outside Date; (ii) the Successful Bid selected by the Monitor is not the Stalking Horse Bid and the Stalking Horse Bid is not the Backup Bid; or (iii) the Stalking Horse Bid is the Backup Bid and the Successful Bid closes.

Part 3: LEGAL BASIS

30. The Monitor relies on:

- (a) the CCAA and the *Supreme Court Civil Rules*, BC Reg. 241/2010;
- (b) the inherent and equitable jurisdiction of this Court; and
- (c) such further and other legal basis as counsel may advise and this Court may allow.

The Stay of Proceedings Should be Extended

31. Subsection 11.02(2) of the CCAA expressly authorizes this Court to grant an extension of the Stay of Proceedings for “any period the court considers necessary”. To grant such an extension in proceedings in which a “super-Monitor” has been appointed, this Court must be satisfied that circumstances exist that make the order appropriate and that the Monitor has acted, and is acting, in good faith and with due diligence.

Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, s 11.02(2)-(3) [CCAA].

1057863 B.C. Ltd. (Re), 2020 BCSC 1359 at para 117 [105].

North American Tungsten Corp. (Re), 2015 BCSC 1376 at paras 24-25 [*North American*].

In the Matter of a Compromise or Arrangement of Balboa Inc. et. al (July 31, 2024), Toronto, CV-2400713245-00CL (Endorsement) (ONSC) at para 4.

32. The jurisdiction to stay proceedings under section 11.02 “should be construed broadly to accomplish the legislative purposes of the CCAA”. These purposes include the maximization of the value of a debtor company’s assets, and the timely, efficient and impartial resolution of its insolvency. A stay of proceedings will therefore be appropriate where it maintains the status quo and provides a debtor with breathing room while it seeks to restore solvency and arrange a “sale of assets in order to maximize recovery for stakeholders.”

North American, supra at paras 25, 27-28.

105, supra at para 118.

9354-9186 Quebec Inc. v Callidus Corp., 2020 SCC 10 at para 40 [*Callidus*].

Inca One Gold Corp. (Re), 2024 BCSC 1478 at para 66 [*Inca Gold*].

Canwest Global Communications Corp., 2011 ONSC 2215 at paras 24-25.

33. Having regard to the foregoing, the Monitor submits that the proposed extension of the Stay of Proceedings is appropriate in the circumstances given that:
- (a) the Monitor has acted and continues to act in good faith and with due diligence, and has caused the Debtors to similarly act in good faith and with due diligence;
 - (b) the proposed Stay Extension will enable the Monitor to implement and advance the Stalking Horse Sale Procedure;
 - (c) 6511 Sussex is forecast to be able to fund its obligations and the costs of the CCAA Proceedings through the proposed Stay Extension;
 - (d) the Monitor does not believe that the proposed Stay Extension will prejudice any creditor; and
 - (e) KingSett is supportive of the proposed Stay Extension.

Relief From REDMA Should be Granted

34. Pursuant to the proposed ARIO, the Monitor seeks relief from any obligation under REDMA to file a new disclosure statement, and any rights and remedies afforded to purchasers thereunder to rescind purchase agreements to which 6511 Sussex or the

Monitor, for and on behalf of 6511 Sussex, are party, save and except for those under subsections 21(2)(a) and 21(2)(b)(i) of REDMA. This Court's jurisdiction under section 11 of the CCAA to "make any order that it considers appropriate in the circumstances", authorizes it to grant such relief.

CCA, *supra* s 11.

35. Section 11 of the CCAA has been "described as 'the engine' driving the statutory scheme", enabling "it to be adapted so readily to each reorganization". It confers "vast" power on Courts that is "constrained only by the restrictions set out in the CCAA itself, and the requirement that the order made be 'appropriate in the circumstances'".

Callidus, supra paras 47-50.

Canada v Canada North Group Inc., 2021 SCC 30 at para 21 [*North Group*].

Re San Industries, 2025 BCSC 645 at para 34.

Re One Bloor West Toronto Group (The One) Inc., 2026 ONSC 1854 at para 23 [*The One*].

36. Appropriateness is assessed by inquiring whether the proposed relief advances the policy and remedial objectives of the CCAA. These objectives include the maximization of the value of a debtor company's assets, ensuring the fair and equitable treatment of claims against such debtor company, and the timely, efficient and impartial resolution of its insolvency.

Callidus, supra at paras 40-44, 48-51.

North Group, supra at para 21.

37. In furtherance of the CCAA's remedial objectives, Courts, including this Court, have previously exercised their discretion under section 11 of the CCAA to grant relief from, and override, the provisions of REDMA and other provincial and federal statutes. In so doing, Courts have "ensured that the CCAA is given a liberal construction to fulfill its broad purpose and to prevent this purpose from being neutralized by other statutes".

The One, supra at paras 28-30.

North Group, supra at paras 4, 21, 24, 27-28, 31.

Re Pacific National Lease Holding Corporation, [1992] BCWLD 2547 at para 28.

Re Sulphur Corp. of Canada, 2002 ABQB 682 at paras 37-38.

Re Collins & Aikman Automotive Canada Inc., [2007] O.J. No. 4186 at paras 42, 87.

Re Jameson House Properties Ltd., 2009 BCSC 964 at paras 22, 33-34.
Re Nortel Networks Corp., 2009 ONCA 833 at para 47.
Sun Indalex Finance, LLC v United Steelworkers, 2013 SCC 6 at para 60.
Bank of Montreal v No. 249 Seabright Holdings Ltd., 2014 BCSC 1094 at para 35
[*Seabright*].
Re Freedom Cannabis Inc., 2025 ABKB 272 at paras 15-17, 22, 24.
KingSett Mortgage Corporation v Lumina Eclipse Limited Partnership (December 19,
2025), Vancouver, S-250121 (Order), BCSC at para 9 [*Lumina Eclipse*].

38. Here, the Monitor submits that it is appropriate for this Court to exercise its discretion under section 11 of the CCAA to relieve the Monitor and 6511 Sussex from any obligation to file a new disclosure statement and stay purchasers from rescinding their respective Sale Agreements given that:
- (a) the filing of a new disclosure statement would give rise to a right of rescission in favour of purchasers that have entered into, but not yet closed the transactions contemplated under, the Sale Agreements, which would undermine the Amended Sale Process to the detriment of 6511 Sussex and its creditors;
 - (b) as this Court has previously held, neither the commencement of a proceeding, nor the appointment of a monitor, under the CCAA, in and of itself, necessitates the filing of a disclosure statement pursuant to subsection 16(2) of REDMA;
 - (c) the Superintendent of Real Estate has not given notice that a new disclosure statement must be filed as of the date hereof;
 - (d) purchasers' rights of rescission under subsections 21(2)(a) and 21(2)(b)(i) of REDMA are preserved;
 - (e) the Receiver continues to comply with its disclosure and other obligations under REDMA in the Receivership Proceedings, and has already disclosed the CCAA Proceedings' and the Stalking Horse Sale Procedure's anticipated commencement in a Third Amendment to Disclosure Statement dated March 26, 2026; and

- (f) the terms of the expanded Stay of Proceedings contained in the proposed ARIO are substantially similar to those previously granted by this Court in proceedings under the CCAA.

Lumina Eclipse, supra at para 9.

Seabright, supra at para 35.

Re Jameson House Properties Ltd., 2009 BCSC 844 at paras 21-26.

Cameron Stephens Mortgage Capital Ltd. v Square Nine King George Development Ltd., 2025 BCSC 2404 at paras 16, 30, 35.

The Monitor's Powers Should be Enhanced

39. In granting the Initial Order, this Court exercised its jurisdiction under section 11 and subsection 23(1)(k) of the CCAA to enhance the Monitor's powers, including to exercise any power which may be properly exercised by a board of directors or any officer of 6511 Sussex. Pursuant to the proposed ARIO, the Monitor seeks to expand its existing powers under the Initial Order to ensure that the Monitor has the authority to deal with, protect and maximize the value of the 6511 Sussex Property and efficiently administer the CCAA Proceedings.
40. The jurisdiction vested in this Court under section 11 of the CCAA to "make any order that it considers appropriate in the circumstances" and under subsection 23(1)(k) of the CCAA to empower a monitor to "carry out any other functions in relation to the [debtor]", authorizes this Court to expand the Monitor's powers as proposed under the ARIO.

CCAA, *supra* s 11, s 23(1)(k).

Inca Gold, supra at para 36.

Re 8640025, 2018 BCCA 93 at para 49.

Arrangement relatif à Bloom Lake General, 2021 QCCS 2946 at paras 73-76, 95, 98-101.

Rambler Metals and Mining Limited, Re CCAA, 2023 NLSC 134 at paras 87-88.

41. In this case, the Monitor submits that it is appropriate to expand its powers as contemplated under the proposed ARIO given that, among other things:
- (a) the considerations underpinning this Court's decision to expand the Monitor's powers pursuant to the Initial Order continue to apply;

- (b) the enhanced powers conferred on the Monitor pursuant to the Initial Order were limited to those that were reasonably necessary during the Initial Stay Period;
- (c) consistent with the CCAA's remedial objectives, the expanded powers proposed under the ARIO will ensure that the Monitor has the authority to deal with, protect and maximize the value of the 6511 Sussex Property and efficiently administer the CCAA Proceedings;
- (d) the expanded powers proposed under the ARIO are consistent with the enhanced powers previously granted by this Court in similar circumstances and are necessary given the absence of 6511 Sussex's management in the operation of its business; and
- (e) the expanded powers proposed under the ARIO are consistent with, and no more expansive than, the powers already conferred upon the Receiver under the Receivership Order.

Callidus, supra at paras 40-44, 48-51.
North Group, supra at para 21.
Lumina Eclipse, supra at para 23.

The Stalking Horse Sale Procedure Should be Approved

42. Section 11 of the CCAA confers jurisdiction on Courts to approve a sale process or stalking horse sale process in relation to a debtor's business and assets prior to or in the absence of a plan of compromise and arrangement. Such sale processes, including those proposed by Court-appointed monitors, are commonly granted in CCAA proceedings when a sale of a debtor's assets is warranted to maximize value for the benefit of its stakeholders.

CCAA, *supra* s 11.
Callidus, supra at paras 42-46.
Inca Gold, supra at paras 31-32, 36-38.
Re Walter Energy Canada Holdings, Inc., 2016 BCSC 107 at para 20 [*Walter Energy*].
Re Freshlocal Solutions Inc., 2022 BCSC 1616 at paras 22-23 [*Freshlocal*].
Re Nortel Networks Corporation (Re), 2009 CanLII 39492 (ONSC) at paras 47-48
[*Nortel*].

43. When determining whether to approve a sale process, Courts consider the following factors:

- (a) the fairness, transparency and integrity of the proposed process;
- (b) the commercial efficacy of the proposed process in light of the specific circumstances; and
- (c) whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.

Walter Energy, supra at para 20.

Freshlocal, supra at para 28.

Inca Gold, supra at para 34.

CCM Master Qualified Fund v Bluetip Power Technologies, 2012 ONSC 1750 at para 6 [CCM].

44. In the context of assessing whether a stalking horse sale process should be approved, Courts also consider the following:

- (a) is a sale transaction warranted at this time;
- (b) will the sale benefit the whole economic community;
- (c) do any of the debtors' creditors have a bona fide reason to object to the sale; and
- (d) is there a better viable alternative.

Freshlocal, supra at paras 26-27.

Inca Gold, supra at para 32.

Nortel, supra at para 49.

Re Brainhunter Inc., [2009] OJ No. 5578 at para 13 [Brainhunter].

45. The application of the aforementioned factors applicable to the approval of a sale process, and a stalking horse sale process in particular, are frequently informed by the considerations enumerated under subsection 36(3) of the CCAA. Namely:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the Court a report stating that in its opinion the sale or disposition would be more beneficial to creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

CCA, supra s 36(3).
Inca Gold, supra at para 35.
Brainhunter, supra at paras 16-17.

46. The Monitor submits that the factors applicable to the approval of a sale process and stalking horse sale process, viewed in light of those applicable to a sale transaction under subsection 36(3) of the CCA, support the proposed Stalking Horse Sale Procedure's approval given that:
- (a) the proposed Stalking Horse Sale Procedure was developed by the Monitor, in consultation with the Stalking Horse Bidder, with a view to providing a flexible, efficient and fair process for canvassing the market for potential purchasers and maximizing the value of the 6511 Sussex Property and recovery for 6511 Sussex and its creditors while the Amended Sale Process is conducted;
 - (b) the proposed Stalking Horse Sale Procedure will be conducted and overseen by the Monitor;
 - (c) the Monitor is of the view that the timeline contemplated by the proposed Stalking Horse Sale Procedure, including its use of two-phases and the Auction, is appropriate in the circumstances and will provide sufficient opportunity to solicit

interest in a sale of the 6511 Sussex Property, while preventing the undue accrual of interest expense and other indebtedness;

- (d) the proposed Stalking Horse Sale Procedure will enable the Monitor to broadly market the 6511 Sussex Property and optimize the chances of securing the maximum purchase price for the Remaining Units and the other 6511 Sussex Property not sold pursuant to the Amended Sale Process; and
- (e) as the best option for maximizing recovery available at this time, the proposed Stalking Horse Sale Procedure is in the best interests of 6511 Sussex and its stakeholders.

The Stalking Horse APS Should be Approved

- 47. Pursuant to the proposed Stalking Horse Sale Procedure Order, the Monitor is seeking approval of the Stalking Horse APS, solely for the purposes of approving it as the Stalking Horse Bid in the Stalking Horse Sale Procedure.
- 48. It is well established that stalking horse bids are a “reasonable and useful element of a sale process” and a “legitimate means of maximizing recovery” therein. Indeed, stalking horse bids are commonly employed in insolvency proceedings to “maximize [the] value of a business for the benefit of stakeholders and enhance the fairness of the sales process” by establishing a “baseline price and transactional structure for any superior bids.”

Freshlocal, supra at paras 29-30.

CCM, supra at para 7.

Validus Power Corp. et al. and Macquarie Equipment Finance Limited, 2023 ONSC 6367 at para 42

Leslie & Irene Dube Foundation Inc. v P218 Enterprises Ltd., 2014 BCSC 1855 at para 20.

- 49. Here, approval of the Stalking Horse APS is appropriate in the circumstances given that:
 - (a) the Stalking Horse APS is the product of arm’s length negotiations among the Monitor and the Stalking Horse Bidder and their respective counsel;

- (b) the Stalking Horse APS sets a valuable and competitive purchase price for bids in the proposed Stalking Horse Sale Procedure and provides a reasonable transaction structure upon which all other Qualified Final Bids may be based, while allowing the continuation of the Amended Sale Process and providing a means of satisfying 6511 Sussex's indebtedness to KingSett and any indebtedness of 6511 Sussex in priority thereto;
- (c) the Purchase Price contemplated by the Stalking Horse APS is expected to promote the submission of competitive bids in the Stalking Horse Sale Procedure and thereby maximize value for 6511 Sussex and its stakeholders;
- (d) the use of the Stalking Horse APS in the circumstances of this case affords 6511 Sussex's senior secured and fulcrum creditor, KingSett, substantial assurance and certainty that the 6511 Sussex Property will be sold for a purchase price, and in a timeframe, satisfactory to it;
- (e) the Monitor, exercising its business judgment, believes that the consideration provided under the Stalking Horse APS is fair and reasonable, in light of the substantial benefits of having a Stalking Horse Bid capable of satisfying 6511 Sussex's indebtedness to KingSett and any indebtedness of 6511 Sussex in priority thereto; and
- (f) the Stalking Horse APS does not contain a break fee or any other bid protections that might have a chilling effect on the market.

Part 4: MATERIAL TO BE RELIED ON

1. The First Report of the Monitor, to be filed.
2. The First Affidavit of Daniel Pollack sworn March 18, 2026.
3. Such further and other material as counsel may advise.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of

application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7 (9).

Date: April 10, 2026

Joshua Foster

 Signature of Joshua Foster
 Lawyer for the Monitor

To be completed by the court only:

Order made

in the terms requested in paragraphs of Part 1 of this notice of application

with the following variations and additional terms:

.....

Date:[dd/mmm/yyyy].....

.....
 Signature of Judge Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

SCHEDULE "A"
SERVICE LIST

See attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

6511 SUSSEX HEIGHTS DEVELOPMENT LTD.

RESPONDENT

Service List
(As of April 10, 2026)

<p>Osler, Hoskin & Harcourt LLP Suite 3000, Bentall Four 1055 Dunsmuir Street Vancouver, BC V7X 1K8</p> <p>Attention: Mary Buttery, Emma Newbery and Lucas Hodgson</p> <p>Tel. No.: (778) 785-3000</p> <p>Email: mattery@osler.com enewbery@osler.com lhodgson@osler.com</p> <p><i>Restructuring & Insolvency Counsel to the Petitioner, KingSett Mortgage Corporation</i></p>	<p>Bennett Jones LLP Suite 2500, 666 Burrard Street Vancouver, BC V6C 2X8</p> <p>Attention: Sean Zweig, Joshua Foster and Andrew Froh</p> <p>Tel. No.: (604) 891-7500</p> <p>Email: zweigs@bennettjones.com fosterj@bennettjones.com froha@bennettjones.com</p> <p><i>Counsel to the Monitor</i></p>
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<p>Richards Buell Sutton LLP Suite 700, 401 West Georgia Street Vancouver, BC V6B 5A1</p> <p>Attention: Aneez N. Devji, Daniel D. Nugent, Ryan A. Shaw, Dolu Aluko and Diana Manuel</p> <p>Tel. No.: (604) 682-3664</p> <p>Email: adevji@rbs.ca dnugent@rbs.ca rshaw@rbs.ca daluko@rbs.ca dmanuel@rbs.ca</p> <p><i>Counsel to the Respondents, 6511 Sussex Heights Development Ltd., Minoru Square Development Limited Partnership, Minoru View Homes Ltd. and Thind Parking Corp.</i></p>	<p>KSV Restructuring Inc. 220 Bay Street, 13th Floor, PO Box 20 Toronto, ON M5J 2W4</p> <p>Attention: Noah Goldstein, Jason Knight and Maha Shah</p> <p>Tel. No.: (416) 932-6262</p> <p>Email: ngoldstein@ksvadvisory.com jknight@ksvadvisory.com mshah@ksvadvisory.com</p> <p><i>The Monitor</i></p>
<p>6511 Sussex Heights Development Ltd., Minoru Square Development Limited Partnership, Minoru View Homes Ltd. and Thind Parking Corp. c/o Thind Properties Ltd. Unit 700 – 4211 Kingsway Burnaby, BC V5H 1Z6</p> <p>Attention: Paul Thind and Daljit Thind</p> <p>Tel. No.: (604) 451-7780</p> <p>Email: paul@thind.ca daljit@thind.ca</p> <p><i>The Respondents</i></p>	<p>Lesperance Mendes Lawyers Suite 550, 900 Howe Street Vancouver, BC V6Z 2M4</p> <p>Attention: Sat D. Harwood, Jonathan M. Chatten, Shiema Sardar Ali and Veronica Heckel</p> <p>Tel. No.: (604) 685-3567</p> <p>Email: sdh@lmlaw.ca jmc@lmlaw.ca ssa@lmlaw.ca vsh@lmlaw.ca</p> <p><i>Counsel to The Owners, Strata Plan EPS9599</i></p>

<p>1364410 B.C. Ltd. 15226 Kildare Drive Surrey, BC V3S 6B6</p> <p><i>A Lien Claimant</i></p>	<p>Department of Justice Canada British Columbia Regional Office Suite 900, 840 Howe Street Vancouver, BC V6Z 2S9</p> <p>Attention: Aminollah Sabzevari and Nikhil Pandey</p> <p>Email: Aminollah.Sabzevari@justice.gc.ca Direct Tel.: (587) 930-5282 Nikhil.Pandey@justice.gc.ca</p> <p><i>Counsel to His Majesty the King in Right of Canada</i></p>
<p>Civic Legal LLP Suite 710, 900 West Hastings Street Vancouver, BC V6C 1E5</p> <p>Attention: Michael Moll</p> <p>Direct Tel.: (604) 358-1933</p> <p>Email: michael@civiclegal.ca</p> <p><i>Counsel to the City of Burnaby</i></p>	<p>Joanna Kostanski Law Corporation Suite 1400, 1125 Howe Street Vancouver, BC V6Z 2K8</p> <p>Attention: Joanna Kostanski</p> <p>Direct Tel.: (604) 569-1121</p> <p>Email: joanna.kostanski@shaw.ca</p> <p><i>Counsel to Jab Contracting Ltd., a lien claimant</i></p>

<p>MLT Aikins LLP Suite 2600, 1066 West Hastings Street Vancouver, BC V6E 3X1</p> <p>Attention: Marisa McGarry</p> <p>Direct Tel.: (604) 924-8727</p> <p>Email: mmcgarry@mltaikins.com</p> <p><i>Counsel to New York Painting & Coating Ltd.</i></p>	<p>Hari Stones Limited 7950 Venture Street Burnaby, BC V5A 1V3</p> <p><i>A Lien Claimant</i></p>
<p>Franklin & O'Brien Legal Services Inc. 3075 Somerset Saint-Laurent, QC H4K 1R4</p> <p>Attention: Niall Burke and Jessica Benchimol</p> <p>Tel. No.: (514) 935-3576</p> <p>Email: niall@franklinobrien.com jessica@franklinobrien.com</p> <p><i>Counsel to Mitchell Press Ltd.</i></p>	<p>Dosanjh Ladner Arora #200 – 1462 West 8th Avenue Vancouver, BC V6H 1E1</p> <p>Attention: Asheesh R. Arora Direct Tel.: (604) 638-3301 Email: ash@dlalaw.ca</p> <p>Ravdeep Singh Chauhan Direct Tel.: (604) 336-8735 Email: ravdeep@dlalaw.ca</p> <p>Tasleen Email: Tasleen@dlalaw.ca</p> <p><i>Counsel to Gurmail Singh</i></p>

<p>Watson Goepel LLP Suite 1200, 1075 West Georgia Street Vancouver, BC V6E 3C9</p> <p>Attention: Elias Notopoulos</p> <p>Direct Tel.: (604) 609-3091</p> <p>Email: enotopoulos@watsongoepel.com</p> <p><i>Counsel to 1076737 B.C. Ltd.</i></p>	<p>Core Creative & Strategy Inc. 10731 Canso Crescent Richmond, BC V7E 5B6</p> <p>Attention: Paulina Kwai Ming Lam</p> <p>Email: info@corecreate.co</p> <p><i>A Lien Claimant</i></p>
<p>Raj Dhillon Law Corporation 203 – 8078 128th Street Surrey, BC V3W 4E9</p> <p>Attention: Rajwinder Dhillon</p> <p>Tel.: (604) 593-3930</p> <p>Email: raj@rajdhillonlaw.ca</p> <p><i>Counsel to Avi Masonary Ltd.</i></p>	<p>Fasken Martineau DuMoulin LLP Suite 2900, 550 Burrard Street Vancouver , BC V6C 0A3</p> <p>Attention: Alex Evans</p> <p>Direct Tel.: (604) 631-4760</p> <p>Email: aevans@fasken.com</p> <p><i>Real Estate Counsel to the Petitioner, KingSett Mortgage Corporation</i></p>
<p>City of Richmond 6911 No. 3 Road Richmond, BC V6Y 2C1</p> <p>Attention: Lisa Hobman, Staff Solicitor</p> <p>Tel: (604) 276-4339</p> <p>Email: lhobman@richmond.ca</p>	<p>Lawson Lundell LLP Suite 1600, Cathedral Place 925 West Georgia Street Vancouver, BC V6C 3L2</p> <p>Attention: William L. Roberts</p> <p>Direct Tel.: (604) 631-9163</p> <p>Email: wroberts@lawsonlundell.com</p> <p><i>Counsel to Bank of Montreal</i></p>

<p>RAM Geotechnical Engineering Ltd. 220 – 18 Gostick Place North Vancouver, BC V7M 3G3</p> <p>Attention: Ting You Koh</p> <p>Email: tingyou.koh@ramconsulting.com</p>	<p>Super Save Fence Rentals Inc. 19395 Langley Bypass Surrey, BC V3S 6K1</p> <p>Attention: William Vandekerkhove</p>
<p>McQuarrie Hunter LLP Suite 1500, 13450 102 Avenue Surrey, BC V3T 5X3</p> <p>Attention: Dan A. T. Moseley</p> <p>Direct Tel.: (604) 580-7022</p> <p>Email: dmoseley@mcquarrie.com</p> <p><i>Counsel to D-Thind Construction Minoru Ltd.</i></p>	<p>D-Thind Construction Minoru Ltd. and D-Thind Development Ltd. 700 - 4211 Kingsway Burnaby, BC V5H 1Z6</p> <p>Attention: Paul Thind and Daljit Thind</p> <p>Tel. No.: (604) 451-7780</p> <p>Email: paul@thind.ca daljit@thind.ca</p>
<p>Deputy Attorney General PO Box 9290 Stn Prov Govt Victoria, BC V8W 9J7</p> <p>Attention: Barbara Carmichael</p>	<p>Surrey National Verification and Collection Centre Canada Revenue Agency 9755 King George Boulevard Surrey, BC V3T 5E1</p>
<p>Counsel for the Superintendent of Real Estate</p> <p>BC Financial Services Authority 600 – 750 West Pender Street Vancouver, BC V6C 2T8</p> <p>Kyle Ferguson Direct: 778.725.0755 Email: kyle.ferguson@bcfsa.ca</p>	

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SCHEDULE "B"
SECOND AMENDED AND RESTATED INITIAL ORDER

See attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

6511 SUSSEX HEIGHTS DEVELOPMENT LTD.

RESPONDENT

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE

)

)

17/April/2026

)

JUSTICE MASUHARA

THE APPLICATION of KSV Restructuring Inc. (“KSV”), in its capacity as the Court-appointed monitor (in such capacity, the “**Monitor**”) of the Respondent coming on for hearing at Vancouver, British Columbia, on the 17th day of April, 2026; AND ON HEARING Andrew Froh and Joshua Foster, counsel for the Monitor and KSV, in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of the Respondent, and those other counsel listed on Schedule “A” hereto; AND UPON READING the Second Amended and Restated Receivership Order of this Court granted on October 3, 2025 (as may be further amended or amended and restated from time to time, the “**Receivership Order**”), in the proceedings bearing Action No. S-247664 (the “**Receivership Proceedings**”) and the material filed, including the First Affidavit of Daniel Pollack sworn March 18, 2026, the Joint Sixth Report of the Receiver and the Pre-Filing Report of KSV, in its capacity as the proposed monitor, dated March 31, 2026, the consent of KSV to act as the Monitor, and the First Report of the Monitor dated April [●], 2026; AND UPON BEING ADVISED that the secured creditors and others who are likely to be affected by the charge created

herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "CCAA"), the British Columbia Supreme Court Civil Rules, BC Reg 168/2009 and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application and materials filed in support of the application for this Order (collectively, the "**Application**") is hereby abridged such that service of the Application is deemed to be timely and sufficient and the Application is properly returnable today.

JURISDICTION

2. The Respondent is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. Subject to the Receivership Order, this Order and any other Order of this Court granted in the Receivership Proceedings or these proceedings, the Respondent shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Respondent shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel, construction managers, contractors and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

4. Subject to the Receivership Order and any other Order of this Court granted in the Receivership Proceedings, the Respondent shall be entitled, but not required, to pay the fees and disbursements of any Assistants retained or employed by the Respondent which are related to the Respondent's restructuring, at their standard rates and charges, whether incurred prior to, on or after April 9, 2026 (the "**Order Date**").

5. Except as otherwise provided herein and subject to the Receivership Order and any other Order of this Court granted in the Receivership Proceedings, the Respondent shall be entitled to pay all expenses reasonably incurred by the Respondent in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services;
- (b) all obligations incurred by the Respondent after the Order Date, including without limitation, with respect to goods and services actually supplied to the Respondent following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Respondent's obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 4 which may be incurred after the Order Date.

6. The Respondent is authorized to remit, in accordance with legal requirements, or pay:

- (a) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Respondent in connection with the sale of goods and services by the Respondent but, unless otherwise permitted under the Receivership Order or any other Order of this Court granted in the Receivership Proceedings, only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
- (b) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or

levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

7. Except as specifically permitted herein or in the Receivership Order or any other Order of this Court granted in the Receivership Proceedings, the Respondent is hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Respondent to any of its creditors as of the Order Date;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other Person (as defined below);
- (d) to not grant credit except in the ordinary course of the Business to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Respondent to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

8. Subject to such requirements as are imposed by the CCAA and any requirements, restrictions, authorizations, approvals or directions in any other Order of this Court granted in the Receivership Proceedings or these proceedings, the Respondent shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations, commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of its redundant or non-material assets;

- (b) take such steps or actions and execute such additional documentation as may be necessary or desirable to: (i) comply with its obligations under the Receivership Order and any other Order of this Court granted in the Receivership Proceedings; (ii) cooperate in, or facilitate the performance of, the Receiver's obligations and duties in the Receivership Proceedings; and (iii) cooperate in, and facilitate the conduct of, any Sale Process (as defined below); and
- (c) pursue all avenues of marketing and selling the Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any sale of all or substantially all of the Business or Property,

all of the foregoing to permit the Respondent to proceed with an orderly restructuring of the Business (the "**Restructuring**").

9. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), the Respondent, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Respondent binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Monitor or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of transactions in furtherance thereof, such Third Parties may, subject to this

paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Respondent.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

10. Until and including July 24, 2026, or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal, excluding, for greater certainty, the Receivership Proceedings (each, a “**Proceeding**”), against or in respect of the Respondent or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, shall be commenced or continued except with the prior written consent of the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Respondent or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Monitor.

11. During the Stay Period, the Superintendent of Real Estate shall not require the Respondent or the Monitor, for and on behalf of the Respondent, to file a new disclosure statement under subsection 16(2) of the *Real Estate Development Marketing Act*, S.B.C. 1004, c. 41, as amended (“**REDMA**”) nor take any steps that would otherwise trigger a purchaser’s right of rescission under REDMA, and any rights and remedies of purchasers to rescind purchase agreements with the Respondent or the Monitor, for and on behalf of the Respondent, are stayed and suspended save and except for the exercise of purchasers’ rights of rescission under subsections 21(2)(a) and 21(2)(b)(i) of REDMA.

12. During the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Respondent or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Monitor or leave of this Court.

13. Nothing in this Order, including paragraphs 10 and 12, shall: (i) empower the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on; (ii) affect such

investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Respondent.

NO INTERFERENCE WITH RIGHTS

14. During the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate, rescind or cease to perform any right, renewal right, contract, agreement, licence, authorization or permit in favour of or held by the Respondent, except with the prior written consent of the Monitor or leave of this Court.

CONTINUATION OF SERVICES

15. During the Stay Period, all Persons having oral or written agreements or arrangements with the Respondent or mandates under an enactment for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, security services, insurance, transportation services, utility or other services to the Business or the Respondent, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by the Respondent or exercising any other remedy provided under the agreements or arrangements, and that the Respondent shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Respondent in accordance with normal payment practices of the Respondent or such other practices as may be agreed upon by the supplier or service provider and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Respondent on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF MONITOR AND MONITOR'S POWERS

17. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Respondent with the powers and obligations set out in the CCAA or set forth herein, and that the Respondent and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Respondent pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

18. The Monitor, in addition to its prescribed rights and obligations under the CCAA and applicable law, is hereby directed and empowered to:

- (a) monitor the Respondent's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to these proceedings;
- (c) prepare the Respondent's cash flow statements;
- (d) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Respondent (collectively, the "**Books and Records**"), to the extent that is necessary to adequately assess the Respondent's Business and financial affairs or

to perform its duties arising under this Order or any further Order of this Court in these proceedings;

- (e) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (f) perform such other duties as are required by this Order or by this Court from time to time.

19. In addition to the powers and duties of the Monitor set out in paragraph 18 of this Order, the CCAA, and applicable law, the Monitor, for and on behalf of, and in the name of, the Respondent, is hereby authorized and empowered, but not required, to exercise any power which may be properly exercised by a board of directors or any officer of the Respondent, as the Monitor deems appropriate, including, without limitation to:

- (a) perform any and all actions or take any steps and execute, assign, issue and endorse all agreements, instructions, documents, and writings for and on behalf of, and in the name of, the Respondent, in order to facilitate the performance of the Respondent's powers or obligations under this Order, any other Order of this Court in the Receivership Proceedings or these proceedings or otherwise, and to carry out the Monitor's duties under this Order or any other Order of this Court in these proceedings;
- (b) execute administrative filings as may be required, for and on behalf of the Respondent;
- (c) take control, or assist the Receiver in taking control, of the Respondent's existing accounts and the funds credited thereto or deposited therein in such manner as the Monitor, in consultation with the Receiver, deems necessary or appropriate, including, without limitation, transferring any funds received into such accounts to accounts held in the name of the Monitor or the Receiver, effecting any

disbursement from such accounts permitted by this Order or any other Order of this Court in the Receivership Proceedings or these proceedings, and adding or removing any Persons having signing authority with respect to any such account or directing the closing of any such account, provided that nothing in this Order shall create any obligation or liability on the part of the Monitor in respect of any amounts owing by the Respondent in connection with any of its accounts;

- (d) engage, retain, or terminate or cause the Respondent to engage, retain or terminate the services of any officer, employee, consultant, agent, representative, advisor, construction manager, project manager, contractor, subcontractor, trade, engineer, quantity surveyor, appraiser, real estate broker, expert, auditor, accountant, manager or other Persons or entities from time to time on whatever basis, including, without limitation, on a temporary basis, as the Monitor deems necessary or appropriate to assist with the exercise of its powers and duties or those of the Respondent or to facilitate or assist in the Restructuring, the continuation of the Respondent's Business, bringing the Property or any part thereof into compliance with applicable laws and building codes, or the preservation, protection or maintenance of the Property and the Business or any part thereof. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, construction manager, project manager, contractor, subcontractor, trade, engineer, quantity surveyor, appraiser, real estate broker, expert, auditor, accountant, manager or other Persons or entities engaged or retained pursuant to this paragraph 19(d) shall thereafter be deemed to be Assistants under this Order
- (e) conduct, supervise and direct the continuation or commencement of any process or effort to collect, preserve or recover any Property or other assets of the Respondent, including, without limitation, any accounts receivable or cash, and to market, sell and/or dispose of such Property or other assets in accordance with this Order, any other Order of this Court in these proceedings and the CCAA;
- (f) meet and consult with the current or former management of the Respondent and/or its affiliates, or any of their respective advisors, with respect to carrying out its

powers and obligations under this Order or any other Order of this Court in these proceedings;

- (g) disclaim, in accordance with the CCAA, any contracts of the Respondent;
- (h) perform or cause the Respondent to perform such other functions or duties, and enter into or cause the Respondent to enter into any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist in the Restructuring or the Receivership Proceedings, including, without limitation, the realization and/or sale of all or any part of the Respondent's Property in accordance with this Order, any other Order of this Court in these proceedings or the Receivership Proceedings and the CCAA, the collection and distribution of any net proceeds of the Property (collectively, the "**Proceeds**"), the construction, maintenance, completion or delivery of any strata lots owned by the Respondent, the continuation of the Respondent's Business, or any other related activities;
- (i) cooperate in, or facilitate the performance of, the Receiver's obligations and duties in the Receivership Proceedings;
- (j) exercise any rights or powers of the Respondent, including, without limitation, any contractual, shareholder, partnership, or joint venture rights or powers of the Respondent and/or any right or power of the Respondent set out in this Order;
- (k) initiate, defend, continue, settle or compromise any and all Proceedings now pending or hereafter instituted with respect to the Respondent, any of the Property, the Assistants or the Proceeds, including, without limitation, such appeals or applications for judicial review in respect of any order or judgment pronounced in any such Proceeding;
- (l) deal with any lien claims that have been or may be registered, as the case may be, or which arise in respect of the Property;

- (m) apply for permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Monitor, in the name of the Respondent;
- (n) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Respondent that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Respondent, which may be a representative of the Monitor, for such purposes;
- (o) claim any and all insurance proceeds or refunds or tax refunds to which the Respondent is entitled on behalf of the Respondent;
- (p) file, or take such actions necessary for the preparation and filing of, on behalf and in the name of the Respondent, any tax returns based solely upon the information in the Books and Records and on the basis that the Monitor shall incur no liability or obligation to any Person with respect to such returns, remittances, statements, records or other documents;
- (q) cause the Respondent to perform such functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Respondent in dealing with the Property and the Business or any part thereof, the Restructuring and the Proceeds, or preserving and protecting the Property and the Business or any part thereof;
- (r) develop a sale process in respect of all or substantially all of the Property or the shares in the capital of the Respondent and such other assets, undertakings and properties related thereto as the Monitor may deem appropriate (the “**Sale Process**”);
- (s) negotiate a stalking horse sale agreement, for and on behalf of the Respondent, in respect of the Property or the shares in the capital of the Respondent and such other

assets, undertakings and properties related thereto as the Monitor may deem appropriate (the “**Stalking Horse APS**”);

- (t) subject to paragraph 11, cause the Respondent to take such steps as the Monitor determines may be reasonably necessary or appropriate to comply with REDMA;
- (u) apply to this Court for an Order approving the Sale Process and, if applicable, the Stalking Horse Agreement and any other Orders necessary or advisable to carry out its powers and obligations under this Order or any other Order of this Court granted in these proceedings, including, without limitation, for (i) approval of the distribution and/or allocation of the Proceeds, (ii) any vesting or other Orders the Monitor deems necessary or desirable to convey the Property or any part thereof, and (iii) advice and directions with respect to any matter relevant to these proceedings; and
- (v) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligation,

(collectively, the “**Monitor’s Powers**”).

20. Notwithstanding anything contained in this Order, where the Monitor exercises any of the Monitor’s Powers, it shall be the sole Person authorized to exercise such powers, to the exclusion of all other Persons other than the Receiver, and no director or officer of the Respondent shall incur any liability for any decisions or actions of the Monitor acting under such authority.

21. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer or employee of the Respondent.

22. Notwithstanding anything contained in this Order, the Monitor, in its capacity as such, shall not take possession of the Property or Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession of the Business or Property, or any part thereof.

23. The Monitor shall not be liable for any employee-related liabilities of the Respondent, including, without limitation, any successor employer liabilities as provided for in Section 11.8(1) of the CCAA or Section 14.06(1.2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). Nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever, and the Monitor shall not be liable for any employee-related liabilities including, without limitation, wages, severance pay, termination pay, vacation pay, pension or benefits amounts relating to any employees that the Monitor may hire in accordance with the terms and conditions of such employment by the Monitor.

24. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder and any other provincial or federal equivalent thereof (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. The Monitor shall provide any creditor of the Respondent with information of the Respondent in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor deems to be confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor may agree.

26. In addition to the rights and protections afforded the Monitor under the CCAA, as an officer of this Court, or otherwise at law, none of the Monitor, its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Without limiting the generality of the foregoing, in exercising any powers granted to it hereunder: (i) none of the Monitor, its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation under or in connection with any contracts or other agreements or the performance, actions, omissions or negligence by or of any Assistants, and all other persons acting on their behalf, save and except for any gross negligence or wilful misconduct on its part; and (ii) the Monitor shall be entitled to rely on the Books and Records of the Respondent without independent investigation. Nothing in this Order shall derogate from the rights and protections afforded the Monitor, as an officer of this Court, by the CCAA or any applicable legislation.

27. Nothing in this Order shall constitute or be deemed to constitute the Monitor, in its capacity as such, as a receiver, assignee, liquidator, receiver-manager, administrator, agent of the creditors or legal representative of the Respondent or the Property within the meaning of applicable legislation.

ADMINISTRATION CHARGE

28. The Monitor and counsel to the Monitor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the Order Date, by the Respondent as part of the cost of these proceedings. The Respondent is hereby authorized and directed to pay the accounts of the Monitor and counsel to the Monitor on a periodic basis.

29. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

30. The Monitor and counsel to the Monitor, shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$250,000, unless permitted by further Order of this Court, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Respondent’s restructuring. The Administration Charge shall have the priority set out in paragraphs 31 and 33 hereof.

VALIDITY AND PRIORITY OF THE ADMINISTRATION CHARGE

31. The priorities of the Administration Charge, the Receiver’s Charge (as defined in the Receivership Order) and the Receiver’s Borrowings Charge (as defined in the Receivership Order), as among them, shall be as follows:

- (a) First – the Administration Charge (up to the maximum amount of \$250,000) and the Receiver’s Charge, *pari passu*; and
- (b) Second – the Receiver’s Borrowings Charge.

32. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge shall not be required, and that the Administration Charge shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Administration Charge coming into existence, notwithstanding any failure to file, register or perfect such Administration Charge.

33. The Administration Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and subject to the Receiver’s Charge, such Administration Charge shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person: (i) save and except those claims contemplated by Section 11.8(8) of the CCAA; and (ii) provided that, any disputes regarding the (x) extent of the Respondent’s right, title or interest in or to the Security Funds (as defined in the Lift Stay Order

(as defined below)), if any, or (y) entitlement and/or priority to, or the distribution of, the Security Funds as between or among any or all of KingSett, the Respondent, the Administration Charge, the Receiver's Charge, the Receiver's Borrowings Charge and Gurmail Singh, shall be determined by this Court in the Receivership Proceedings.

34. Except as otherwise expressly provided herein or the Receivership Order, or as may be approved by this Court in the Receivership Proceedings or these proceedings, the Respondent shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Administration Charge, unless the Respondent obtains the prior written consent of the Monitor and its counsel.

35. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Respondent; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create nor be deemed to constitute a breach by the Respondent of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Administration Charge; and
- (c) the payments made by the Respondent pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent

conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

36. To the extent that the Administration Charge created by this Order creates a charge over leases of real property in Canada, such Administration Charge shall only be a charge in the Respondent's interest in such real property leases.

SERVICE AND NOTICE

37. The Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Respondent of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

38. The Petitioner and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including by email) to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Section 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

39. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained

by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://www.ksvadvisory.com/experience/case/highline-and-minoru> (the “**Monitor’s Website**”). Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

40. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels’ email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor’s Website.

41. Notwithstanding paragraphs 38 and 40 of this Order, service of the Petitioner’s Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petitioner’s Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

RECEIVERSHIP PROCEEDINGS AND THE RECEIVER’S PROTECTIONS

42. Until the termination of the Receivership Proceedings and the discharge of KSV as the Receiver pursuant to an order of this Court granted in the Receivership Proceedings, the Receivership Proceedings shall remain ongoing in parallel with these proceedings and KSV shall continue to act as the Receiver of the Respondent and the Property, in each case, notwithstanding the commencement of these proceedings under the CCAA or any other provision of this Order.

43. Notwithstanding the commencement of these proceedings under the CCAA, any other provision of this Order or any other Order made in these proceedings, nothing herein shall affect, vary, derogate from, stay, interfere with, limit or amend, and the Respondent and the Receiver and its counsel, as applicable, shall continue to have the benefit of, the terms of any order of this Court granted in the Receivership Proceedings, and any and all of the rights, approvals, authorizations, directions and protections in favour of the Respondent, the Property or the Receiver and its counsel thereunder, at law or pursuant to the BIA or otherwise.

44. In the event of any conflict or inconsistency between the provisions of this Order or the CCAA (other than, for greater certainty, Section 37 of the CCAA) and the rights, approvals, authorizations, directions and protections in favour of the Respondent, the Property or the Receiver and its counsel under the Receivership Order or any order granted by this Court in the Receivership Proceedings, the rights, approvals, authorizations, directions and protections in favour of the Respondent, the Property or the Receiver and its counsel under the Receivership Order and any order granted by this Court in the Receivership Proceedings, as applicable, shall control.

45. For greater certainty, notwithstanding any provisions of this Order, each of the Receivership Order, the Lift Stay Order granted by this Court in the Receivership Proceedings on October 3, 2025 (the “**Lift Stay Order**”), the Amended Sale Process Order granted by this Court in the Receivership Proceedings on October 17, 2025 (and the sale process approved thereunder), the Amended and Restated Approval and Vesting Order granted by this Court in the Receivership Proceedings on October 17, 2025, and the Second Amended and Restated Ancillary Order granted by this Court in the Receivership Proceedings as of the date hereof, is unaltered and remains in full force and effect.

GENERAL

46. Notwithstanding paragraph 53 of this Order, the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

47. Nothing in this Order shall prevent the Monitor from acting as a trustee in bankruptcy of the Respondent, the Business or the Property.

48. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Respondent and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative

status to the Monitor in any foreign proceeding, or to assist the Respondent and the Monitor and their respective agents in carrying out the terms of this Order.

49. The Monitor, for and on behalf of the Respondent, shall be at liberty and is hereby authorized to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Respondent to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 1501-1532, as amended.

50. The Monitor, for and on behalf of the Respondent, may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Monitor, for and on behalf of the Respondent, determines that such a filing is appropriate.

51. The Monitor, for and on behalf of the Respondent, is hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

52. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

53. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Administration Charge and priorities set forth in herein with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

54. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

55. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the date of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Andrew Froh

Party Lawyer for the Monitor

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)

NAME	APPEARING FOR
Andrew Froh and Joshua Foster	KSV Restructuring Inc.
Emma Newbery	KingSett Mortgage Corporation

SCHEDULE "C"
REDLINE TO INITIAL ORDER

See attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

6511 SUSSEX HEIGHTS DEVELOPMENT LTD.

RESPONDENT

~~PETITION TO THE COURT~~

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE

)

)

)

09/17/April/2026

JUSTICE MASUHARA

THE APPLICATION of ~~the Petitioner coming on for hearing at Vancouver, British Columbia, on the 9th day of April, 2026 (the "Order Date"); AND ON HEARING Mary Buttery, K.C., and Emma Newbery, counsel for the Petitioner, Andrew Froh and Joshua Foster, counsel for KSV Restructuring Inc. ("KSV"), in its capacity as the Court-appointed monitor (in such capacity, the "Monitor") of the Respondent coming on for hearing at Vancouver, British Columbia, on the 17th day of April, 2026; AND ON HEARING Andrew Froh and Joshua Foster, counsel for the Monitor and KSV, in its capacity as the Court-appointed receiver (in such capacity, the "Receiver") and proposed monitor (the "Proposed Monitor" and if appointed in such capacity, the "Monitor") of the Respondent, and those other counsel listed on Schedule "A" hereto; AND UPON READING the Second Amended and Restated Receivership Order of this Court granted on October 3, 2025 (as may be further amended or amended and restated from time to~~

time, the “**Receivership Order**”) ~~of this Court granted on October 3, 2025,~~ in the proceedings bearing Action No. S-247664 (the “**Receivership Proceedings**”) and the material filed, including the First Affidavit of Daniel Pollack sworn March 18, 2026, the Joint Sixth Report of the Receiver and the Pre-Filing Report of ~~the Proposed Monitor and~~ KSV, in its capacity as the proposed monitor, dated March 31, 2026, the consent of KSV to act as the Monitor, and the First Report of the Monitor dated April [●], 2026; AND UPON BEING ADVISED that the secured creditors and others who are likely to be affected by the charge created herein were given notice; AND pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the “**CCAA**”), the British Columbia Supreme Court Civil Rules, BC Reg 168/2009 and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the ~~Petition~~ Notice of Application and materials filed in support of the application for this Order (collectively, the “**Application**”) is hereby abridged such that service of the Application is deemed to be timely and sufficient and the Application is properly returnable today.

JURISDICTION

2. The Respondent is a company to which the CCAA applies.

~~**SUBSEQUENT HEARING DATE**~~

~~3. The hearing of the Monitor’s application for an extension of the Stay Period (as defined in paragraph 11 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on the 17th day of April, 2026 or such other date as this Court may order.~~

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ Subject to the Receivership Order, this Order and any other Order of this Court granted in the Receivership Proceedings or these proceedings, the Respondent shall remain in possession

and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), and continue to carry on its business (the “**Business**”) in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Respondent shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel, construction managers, contractors and such other persons (collectively, “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

4. ~~5.~~ Subject to the Receivership Order and any other Order of this Court granted in the Receivership Proceedings, the Respondent shall be entitled, but not required, to pay the fees and disbursements of any Assistants retained or employed by the Respondent which are related to the Respondent’s restructuring, at their standard rates and charges, whether incurred prior to, on or after April 9, 2026 (the “Order Date”).

5. ~~6.~~ Except as otherwise provided herein and subject to the Receivership Order and any other Order of this Court granted in the Receivership Proceedings, the Respondent shall be entitled to pay all expenses reasonably incurred by the Respondent in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services;
- (b) all obligations incurred by the Respondent after the Order Date, including without limitation, with respect to goods and services actually supplied to the Respondent following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Respondent’s obligations incurred prior to the Order Date); and

- (c) fees and disbursements of the kind referred to in paragraph ~~5~~4 which may be incurred after the Order Date.

6. ~~7.~~The Respondent is authorized to remit, in accordance with legal requirements, or pay:

- (a) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Respondent in connection with the sale of goods and services by the Respondent but, unless otherwise permitted under the Receivership Order or any other Order of this Court granted in the Receivership Proceedings, only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
- (b) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

7. ~~8.~~Except as specifically permitted herein or in the Receivership Order or any other Order of this Court granted in the Receivership Proceedings, the Respondent is hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Respondent to any of its creditors as of the Order Date;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become a guarantor or surety, nor

otherwise become liable in any manner with respect to any other Person (as defined below);

- (d) to not grant credit except in the ordinary course of the Business to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Respondent to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

8. ~~9.~~ Subject to such requirements as are imposed by the CCAA and any requirements, restrictions, authorizations, approvals or directions in any other Order of this Court granted in the Receivership Proceedings or these proceedings, the Respondent shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations ~~and~~, commence marketing efforts in respect of any of its redundant or non-material assets; ~~and~~ to dispose of its redundant or non-material assets;
- (b) take such steps or actions and execute such additional documentation as may be necessary or desirable to: (i) comply with its obligations under the Receivership Order and any other Order of this Court granted in the Receivership Proceedings; ~~and~~ (ii) cooperate in, or facilitate the performance of, the Receiver's obligations and duties in the Receivership Proceedings; ~~and~~ (iii) cooperate in, and facilitate the conduct of, any Sale Process (as defined below); and
- (c) pursue all avenues of marketing and selling the Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any sale of all or substantially all of the Business or Property,

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

9. ~~10.~~ Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the “**Relevant Enactment**”), the Respondent, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Respondent binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Monitor or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Respondent.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

10. ~~11.~~ Until and including ~~April 17~~July 24, 2026, or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal, excluding, for greater certainty, the Receivership Proceedings (each, a “**Proceeding**”), against or in respect of the Respondent or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, shall be

commenced or continued except with the prior written consent of the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Respondent or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Monitor.

11. During the Stay Period, the Superintendent of Real Estate shall not require the Respondent or the Monitor, for and on behalf of the Respondent, to file a new disclosure statement under subsection 16(2) of the *Real Estate Development Marketing Act*, S.B.C. 1004, c. 41, as amended (“REDMA”) nor take any steps that would otherwise trigger a purchaser’s right of rescission under REDMA, and any rights and remedies of purchasers to rescind purchase agreements with the Respondent or the Monitor, for and on behalf of the Respondent, are stayed and suspended save and except for the exercise of purchasers’ rights of rescission under subsections 21(2)(a) and 21(2)(b)(i) of REDMA.

12. During the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Respondent or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Monitor or leave of this Court.

13. Nothing in this Order, including paragraphs ~~10~~10 and 12, shall: (i) empower the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Respondent.

NO INTERFERENCE WITH RIGHTS

14. During the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate, rescind or cease to perform any right, renewal right, contract, agreement, licence, authorization or permit in favour of or held by the Respondent, except with the prior written consent of the Monitor or leave of this Court.

CONTINUATION OF SERVICES

15. During the Stay Period, all Persons having oral or written agreements or arrangements with the Respondent or mandates under an enactment for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, security services, insurance, transportation services, utility or other services to the Business or the Respondent, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by the Respondent or exercising any other remedy provided under the agreements or arrangements, and that the Respondent shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Respondent in accordance with normal payment practices of the Respondent or such other practices as may be agreed upon by the supplier or service provider and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Respondent on or

after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF MONITOR AND MONITOR'S POWERS

17. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Respondent with the powers and obligations set out in the CCAA or set forth herein, and that the Respondent and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Respondent pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

18. The Monitor, in addition to its prescribed rights and obligations under the CCAA and applicable law, is hereby directed and empowered to:

- (a) monitor the Respondent's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to these proceedings;
- (c) prepare the Respondent's cash flow statements;
- (d) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Respondent (collectively, the "**Books and Records**"), to the extent that is necessary to adequately assess the Respondent's Business and financial affairs or to perform its duties arising under this Order or any further Order of this Court in these proceedings;

- (e) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (f) perform such other duties as are required by this Order or by this Court from time to time.

19. In addition to the powers and duties of the Monitor set out in paragraph 18 of this Order, the CCAA, and applicable law, the Monitor, for and on behalf of, and in the name of, the Respondent, is hereby authorized and empowered, but not required, to exercise any power which may be properly exercised by a board of directors or any officer of the Respondent, as the Monitor deems appropriate, including, without limitation to:

- (a) perform any and all actions or take any steps and execute, assign, issue and endorse all agreements, instructions, documents, and writings for and on behalf of, and in the name of, the Respondent, in order to facilitate the performance of the Respondent's powers or obligations under this Order, any other Order of this Court in the Receivership Proceedings or these proceedings or otherwise, and to carry out the Monitor's duties under this Order or any other Order of this Court in these proceedings;
- (b) execute administrative filings as may be required, for and on behalf of the Respondent;
- (c) take control, or assist the Receiver in taking control, of the Respondent's existing accounts and the funds credited thereto or deposited therein in such manner as the Monitor, in consultation with the Receiver, deems necessary or appropriate, including, without limitation, transferring any funds received into such accounts to accounts held in the name of the Monitor or the Receiver, effecting any disbursement from such accounts permitted by this Order or any other Order of this Court in the Receivership Proceedings or these proceedings, and adding or

removing any Persons having signing authority with respect to any such account or directing the closing of any such account, provided that nothing in this Order shall create any obligation or liability on the part of the Monitor in respect of any amounts owing by the Respondent in connection with any of its accounts;

- (d) engage, retain, or terminate or cause the Respondent to engage, retain or terminate the services of any officer, employee, consultant, agent, representative, advisor, construction manager, project manager, contractor, subcontractor, trade, engineer, quantity surveyor, appraiser, real estate broker, expert, auditor, accountant, manager or other Persons or entities from time to time on whatever basis, including, without limitation, on a temporary basis, as the Monitor deems necessary or appropriate to assist with the exercise of its powers and duties or those of the Respondent or to facilitate or assist in the Restructuring, the continuation of the Respondent's Business, bringing the Property or any part thereof into compliance with applicable laws and building codes, or the preservation, protection or maintenance of the Property and the Business or any part thereof. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, construction manager, project manager, contractor, subcontractor, trade, engineer, quantity surveyor, appraiser, real estate broker, expert, auditor, accountant, manager or other Persons or entities engaged or retained pursuant to this paragraph 19(d) shall thereafter be deemed to be Assistants under this Order
- (e) conduct, supervise and direct the continuation or commencement of any process or effort to collect, preserve or recover any Property or other assets of the Respondent, including, without limitation, any accounts receivable or cash, and to market, sell and/or dispose of such Property or other assets in accordance with this Order, any other Order of this Court in these proceedings and the CCAA;
- (f) meet and consult with the current or former management of the Respondent and/or its affiliates, or any of their respective advisors, with respect to carrying

out its powers and obligations under this Order or any other Order of this Court in these proceedings;

- (g) disclaim, in accordance with the CCAA, any contracts of the Respondent;
- (h) perform or cause the Respondent to perform such other functions or duties, and enter into or cause the Respondent to enter into any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist in the Restructuring or the Receivership Proceedings, including, without limitation, the realization and/or sale of all or any part of the Respondent's Property in accordance with this Order, any other Order of this Court in these proceedings or the Receivership Proceedings and the CCAA, the collection and distribution of any net proceeds of the Property (collectively, the "**Proceeds**"), the construction, maintenance, completion or delivery of any strata lots owned by the Respondent, the continuation of the Respondent's Business, or any other related activities;
- (i) ~~(b)~~ cooperate in, or facilitate the performance of, the Receiver's obligations and duties in the Receivership Proceedings;
- (j) exercise any rights or powers of the Respondent, including, without limitation, any contractual, shareholder, partnership, or joint venture rights or powers of the Respondent and/or any right or power of the Respondent set out in this Order;
- (k) initiate, defend, continue, settle or compromise any and all Proceedings now pending or hereafter instituted with respect to the Respondent, any of the Property, the Assistants or the Proceeds, including, without limitation, such appeals or applications for judicial review in respect of any order or judgment pronounced in any such Proceeding;
- (l) deal with any lien claims that have been or may be registered, as the case may be, or which arise in respect of the Property;

- (m) apply for permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Monitor, in the name of the Respondent;
- (n) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Respondent that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Respondent, which may be a representative of the Monitor, for such purposes;
- (o) claim any and all insurance proceeds or refunds or tax refunds to which the Respondent is entitled on behalf of the Respondent;
- (p) file, or take such actions necessary for the preparation and filing of, on behalf and in the name of the Respondent, any tax returns based solely upon the information in the Books and Records and on the basis that the Monitor shall incur no liability or obligation to any Person with respect to such returns, remittances, statements, records or other documents;
- (q) cause the Respondent to perform such functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Respondent in dealing with the Property and the Business or any part thereof, the Restructuring and the Proceeds, or preserving and protecting the Property and the Business or any part thereof;
- (r) ~~(e)~~ develop a sale process in respect of all or substantially all of the Property or the shares in the capital of the Respondent and such other assets, undertakings and properties related thereto as the Monitor may deem appropriate (the “**Sale Process**”);

- (s) ~~(d)~~ negotiate a stalking horse sale agreement, for and on behalf of the Respondent, in respect of the Property or the shares in the capital of the Respondent and such other assets, undertakings and properties related thereto as the Monitor may deem appropriate (the “**Stalking Horse APS**”);
- (t) ~~(e)~~ subject to paragraph 11, cause the Respondent to take such steps as the Monitor determines may be reasonably necessary or appropriate to comply with ~~the Real Estate Development Marketing Act, S.B.C. 1004, c. 41~~ REDMA;
- (u) ~~(f)~~ apply to this Court for an Order approving the Sale Process and, if applicable, the Stalking Horse Agreement and any other Orders necessary or advisable to carry out its powers and obligations under this Order or any other Order of this Court granted in these proceedings, including, without limitation, for (i) approval of the distribution and/or allocation of the Proceeds, (ii) any vesting or other Orders the Monitor deems necessary or desirable to convey the Property or any part thereof, and (iii) advice and directions with respect to any matter relevant to these proceedings; and
- (v) ~~(g)~~ take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligation,
- (collectively, the “**Monitor’s Powers**”).

20. Notwithstanding anything contained in this Order, where the Monitor exercises any of the Monitor’s Powers, it shall be the sole Person authorized to exercise such powers, to the exclusion of all other Persons other than the Receiver, and no director or officer of the Respondent shall incur any liability for any decisions or actions of the Monitor acting under such authority.

21. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer or employee of the Respondent.

22. Notwithstanding anything contained in this Order, the Monitor, in its capacity as such, shall not take possession of the Property or Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession of the Business or Property, or any part thereof.

23. The Monitor shall not be liable for any employee-related liabilities of the Respondent, including, without limitation, any successor employer liabilities as provided for in Section 11.8(1) of the CCAA or Section 14.06(1.2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). Nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever, and the Monitor shall not be liable for any employee-related liabilities including, without limitation, wages, severance pay, termination pay, vacation pay, pension or benefits amounts relating to any employees that the Monitor may hire in accordance with the terms and conditions of such employment by the Monitor.

24. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the British Columbia *Environmental Management Act*, the British Columbia *Fish Protection Act* and regulations thereunder and any other provincial or federal equivalent thereof (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. The Monitor shall provide any creditor of the Respondent with information of the Respondent in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor deems to be confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor may agree.

26. In addition to the rights and protections afforded the Monitor under the CCAA, as an officer of this Court, or otherwise at law, none of the Monitor, its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Without limiting the generality of the foregoing, in exercising any powers granted to it hereunder: (i) none of the Monitor, its employees, advisors or other representatives acting in such capacities shall incur any liability or obligation under or in connection with any contracts or other agreements or the performance, actions, omissions or negligence by or of any Assistants, and all other persons acting on their behalf, save and except for any gross negligence or wilful misconduct on its part; and (ii) the Monitor shall be entitled to rely on the Books and Records of the Respondent without independent investigation. Nothing in this Order shall derogate from the rights and protections afforded the Monitor, as an officer of this Court, by the CCAA or any applicable legislation.

27. Nothing in this Order shall constitute or be deemed to constitute the Monitor, in its capacity as such, as a receiver, assignee, liquidator, receiver-manager, administrator, agent of the creditors or legal representative of the Respondent or the Property within the meaning of applicable legislation.

ADMINISTRATION CHARGE

28. The Monitor and counsel to the Monitor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the Order Date, by the Respondent as part of the cost of these proceedings. The

Respondent is hereby authorized and directed to pay the accounts of the Monitor and counsel to the Monitor on a periodic basis.

29. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

30. The Monitor and counsel to the Monitor, shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$250,000, unless permitted by further Order of this Court, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Respondent’s restructuring. The Administration Charge shall have the priority set out in paragraphs 31 and 33 hereof.

VALIDITY AND PRIORITY OF THE ADMINISTRATION CHARGE

31. The priorities of the Administration Charge, the Receiver’s Charge (as defined in the Receivership Order) and the Receiver’s Borrowings Charge (as defined in the Receivership Order), as among them, shall be as follows:

- (a) First – the Administration Charge (up to the maximum amount of \$250,000) and the Receiver’s Charge, *pari passu*; and
- (b) Second – the Receiver’s Borrowings Charge.

32. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge shall not be required, and that the Administration Charge shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Administration

Charge coming into existence, notwithstanding any failure to file, register or perfect such Administration Charge.

33. The Administration Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and subject to the Receiver's Charge, such Administration Charge shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person: ~~(A*i*)~~ save and except ~~(i)~~ those claims contemplated by Section 11.8(8) of the CCAA; and ~~(ii) any Person with a properly perfected charge under the *Personal Property Security Act* (British Columbia) or such other applicable legislation that has not been served with the Application materials; and (iii) any Person with a properly perfected charge under the *Land Title Act* (British Columbia) or such other applicable legislation that has not been served with the Application materials; and (B)~~ provided that, any disputes regarding the ~~(i*x*)~~ extent of the ~~Respondent's~~Respondent's right, title or interest in or to the Security Funds (as defined in the Lift Stay Order (as defined below)), if any, or ~~(i*y*)~~ entitlement and/or priority to, or the distribution of, the Security Funds as between or among any or all of KingSett, the Respondent, the Administration Charge, the Receiver's Charge, the Receiver's Borrowings Charge and Gurmail Singh, shall be determined by this Court in the Receivership Proceedings.

34. Except as otherwise expressly provided herein or the Receivership Order, or as may be approved by this Court in the Receivership Proceedings or these proceedings, the Respondent shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Administration Charge, unless the Respondent obtains the prior written consent of the Monitor and its counsel.

35. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such

applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Respondent; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create nor be deemed to constitute a breach by the Respondent of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Administration Charge; and
- (c) the payments made by the Respondent pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

36. To the extent that the Administration Charge created by this Order creates a charge over leases of real property in Canada, such Administration Charge shall only be a charge in the Respondent’s interest in such real property leases.

SERVICE AND NOTICE

37. The Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Respondent of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations

made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

38. The Petitioner and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including by email) to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Section 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

39. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://www.ksvadvisory.com/experience/case/highline-and-minoru> (the "**Monitor's Website**"). Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

40. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.

41. Notwithstanding paragraphs 38 and 40 of this Order, service of the [Petitioner's](#) Petition, the Notice of Hearing of Petition, any affidavits filed in support of the [Petitioner's](#) Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of

the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

RECEIVERSHIP PROCEEDINGS AND THE RECEIVER'S PROTECTIONS

42. Until the termination of the Receivership Proceedings and the discharge of KSV as the Receiver pursuant to an order of this Court granted in the Receivership Proceedings, the Receivership Proceedings shall remain ongoing in parallel with these proceedings and KSV shall continue to act as the Receiver of the Respondent and the Property, in each case, notwithstanding the commencement of these proceedings under the CCAA or any other provision of this Order.

43. Notwithstanding the commencement of these proceedings under the CCAA, any other provision of this Order or any other Order made in these proceedings, nothing herein shall affect, vary, derogate from, [stay, interfere with](#), limit or amend, and the [Respondent and the](#) Receiver and its counsel, [as applicable](#), shall continue to have the benefit of, the terms of any order of this Court granted in the Receivership Proceedings, and any and all of the rights, approvals, authorizations, directions and protections in favour of the Respondent, the Property or the Receiver and its counsel thereunder, at law or pursuant to the BIA or otherwise.

44. In the event of any conflict or inconsistency between the provisions of this Order or the CCAA (other than, for greater certainty, Section 37 of the CCAA) and the rights, approvals, authorizations, directions and protections in favour of the Respondent, the Property or the Receiver and its counsel under the Receivership Order or any order granted by this Court in the Receivership Proceedings, the rights, approvals, authorizations, directions and protections in favour of the Respondent, the Property or the Receiver and its counsel under the Receivership Order and any order granted by this Court in the Receivership Proceedings, as applicable, shall control.

45. For greater certainty, notwithstanding any provisions of this Order, each of the Receivership Order, the Lift Stay Order granted by this Court in the Receivership Proceedings on October 3, 2025 (the "**Lift Stay Order**"), the Amended Sale Process Order granted by this Court in the Receivership Proceedings on October 17, 2025 (and the sale process approved thereunder),

the Amended and Restated Approval and Vesting Order granted by this Court in the Receivership Proceedings on October 17, 2025, and the Second Amended and Restated Ancillary Order granted by this Court in the Receivership Proceedings as of the date hereof, is unaltered and remains in full force and effect.

GENERAL

46. Notwithstanding paragraph ~~52~~53 of this Order, the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

47. Nothing in this Order shall prevent the Monitor from acting as a trustee in bankruptcy of the Respondent, the Business or the Property.

48. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Respondent and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Respondent and the Monitor and their respective agents in carrying out the terms of this Order.

49. The Monitor, for and on behalf of the Respondent, shall be at liberty and is hereby authorized to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Respondent to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ ~~101-1330~~1501-1532, as amended.

50. The Monitor, for and on behalf of the Respondent, may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Monitor, for and on behalf of the Respondent, determines that such a filing is appropriate.

51. The Monitor, for and on behalf of the Respondent, is hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

52. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

53. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Administration Charge and priorities set forth in herein with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

54. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

55. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the [date of this](#) Order ~~Date~~.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of ~~Mary Buttery, K.C.~~ Andrew Froh

Party Lawyer for the ~~Petitioner~~ Monitor

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)

NAME	APPEARING FOR
<u>Andrew Froh and Joshua Foster</u>	<u>KSV Restructuring Inc.</u>
Mary Buttery, K.C. and Emma Newbery	KingSett Mortgage Corporation
Joshua Foster and Andrew Froh	KSV Restructuring Inc.
Ravdeep Chauhan and Asheesh Arora	Gurmail Singh

Summary report:	
Litera Compare for Word 11.11.0.158 Document comparison done on 4/10/2026 3:51:34 PM	
Style name: Standard	
Intelligent Table Comparison: Active	
Original filename: CCAA Initial Order - KS_Highline(107575087.2) (Bennett Jones Comments).docx	
Modified filename: Draft ARIO.docx	
Changes:	
<u>Add</u>	99
Delete	50
Move From	5
<u>Move To</u>	5
<u>Table Insert</u>	1
Table Delete	1
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	161

SCHEDULE "D"
STALKING HORSE SALE PROCEDURE ORDER

See attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36**

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

6511 SUSSEX HEIGHTS DEVELOPMENT LTD.

RESPONDENT

ORDER MADE AFTER APPLICATION

STALKING HORSE SALE PROCEDURE ORDER

BEFORE THE HONOURABLE)
) 17/April/2026
JUSTICE MASUHARA)

ON THE APPLICATION of KSV Restructuring Inc. (“**KSV**”), in its capacity as Court-appointed monitor (in such capacity, the “**Monitor**”) of 6511 Sussex Heights Development Ltd. (“**6511 Sussex**”), coming on for hearing at Vancouver, British Columbia, on the 17th day of April, 2026; **AND ON HEARING** Andrew Froh and Joshua Foster, counsel for the Monitor and KSV, in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of 6511 Sussex in the proceedings bearing Action No. S-247664 (the “**Receivership Proceedings**”), and those other counsel listed on Schedule “A” hereto; **AND UPON READING** the Amended and Restated Initial Order of this Court dated as of the date hereof, the Second Amended and Restated Receivership Order and Amended Sale Process Order of this Court granted in the Receivership Proceedings on October 3, 2025 and October 17, 2025, respectively, and the material filed, including the First Report of the Monitor dated April [●], 2026 (the “**First Report**”);

THIS COURT ORDERS AND DECLARES THAT:

NOTICE & DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the First Report, the sale and solicitation procedures attached as Schedule “B” hereto (the “**Sale Procedure**”) or the Stalking Horse APS (as defined below), as applicable.
2. The time for service of the Notice of Application and supporting materials for this Order is hereby abridged such that this Application is properly returnable today and service thereof on any interested party is hereby dispensed with.

SALE PROCEDURE APPROVAL

3. The Sale Procedure, subject to any amendments thereto that may be made in accordance therewith, be and is hereby approved. The Monitor is hereby authorized to carry out the Sale Procedure, contemporaneously with the Receiver carrying out the Sale Process, in accordance with the terms of the Sale Procedure and the terms of this Order, and to take such steps as the Monitor considers necessary or desirable in carrying out its obligations thereunder.
4. The Monitor and its assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability or obligation with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of performing their duties under the Sale Procedure, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Monitor, as determined by this Court.

PIPEDA

5. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, and any similar legislation in any other applicable jurisdictions, the Monitor is hereby authorized and permitted to disclose and provide to its agents and any Phase 1 Qualified Bidder or Phase 2 Qualified Bidder in the Sale Procedure, personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the Sale Procedure (each a “**Transaction**”). Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. Any purchaser under a Transaction shall maintain and protect the privacy of such information and, upon closing of a Transaction, shall be entitled to use the personal information provided to it that is related to the business and/or the property acquired pursuant to the Sale Procedure in a manner that is in all material respects identical to the prior use of such information by 6511 Sussex, and shall return all other personal information to the Monitor or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

STALKING HORSE APPROVAL

- 6. The Monitor, for and on behalf of 6511 Sussex, is hereby authorized and empowered, *nunc pro tunc*, to enter into the stalking horse agreement of purchase and sale dated April [●], 2026 (the “**Stalking Horse APS**”), between the Monitor for and on behalf of 6511 Sussex, and KingSett Mortgage Corporation (the “**Stalking Horse Bidder**”) in the form attached as Appendix “[●]” to the First Report, with such minor amendments as the Monitor, for and on behalf of 6511 Sussex, and the Stalking Horse Bidder may agree in writing, and the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse APS is hereby approved as the Stalking Horse Bid; provided that, nothing herein approves the sale and vesting of the Purchased Interests to the Stalking Horse Bidder pursuant to the Stalking Horse APS, and that the approval of the sale and vesting of such Purchased Interests shall be considered by this Court on a subsequent application made to this Court following completion of the Sale Procedure if the Stalking Horse Bid is the Successful Bid.

GENERAL

- 7. The Monitor may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the discharge of its powers and duties under this Order or the interpretation or application of this Order at any time.
- 8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.
- 9. Endorsement of this Order by counsel appearing on this Application, other than counsel for the Monitor, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Andrew Froh
 Party Lawyer for the Monitor

BY THE COURT

REGISTRAR

Schedule “A” – List of Counsel

<u>Name</u>	<u>Party</u>
Andrew Froh and Joshua Foster	KSV Restructuring Inc.
Emma Newbery	KingSett Mortgage Corporation

Schedule "B" –Sale Procedure

See attached.

SALE PROCEDURE

Introduction

1. Pursuant to an Order granted by the Supreme Court of British Columbia (the “**Court**”) on December 13, 2024 (as amended and restated on January 20, 2025 and October 3, 2025, and as may be further amended or amended and restated from time to time, the “**Receivership Order**”), under subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada), and section 39 of the *Law and Equity Act* (British Columbia) (the “**Receivership Proceedings**”), KSV Restructuring Inc. (“**KSV**”) was appointed as the receiver (in such capacity, the “**Receiver**”), without security, of the lands described in Schedule “A” to the Receivership Order (collectively, the “**Lands**”) and all right, title and interest of 6511 Sussex Heights Development Ltd. (“**6511 Sussex**”) and Thind Parking Corp. in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands (collectively, the “**Receivership Property**”). The Receivership Property owned by 6511 Sussex (collectively, the “**Highline Property**”) includes the residential strata lots in Strata Plan EPS9599 that are currently being marketed for sale within the residential strata development project known as “Highline Metrotown” pursuant to the Sale Process approved by the Court in the Receivership Proceedings (collectively, the “**Inventory Units**”).
2. On April 9, 2026, the Court granted an Order (as amended and restated on April 17, 2026, and as may be further amended or amended and restated from time to time, the “**Initial Order**”), pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) among other things: (i) appointing KSV as the monitor of 6511 Sussex (in such capacity, the “**Monitor**”); (ii) authorizing the Monitor to (x) negotiate a stalking horse sale agreement for and on behalf of 6511 Sussex in respect of the Highline Property or the shares in the capital of 6511 Sussex, (y) develop a sale process in respect of the Highline Property or the shares in the capital of 6511 Sussex and (z) apply to the Court to approve such sale process; and (iii) declaring that the Receivership Proceedings shall remain ongoing in parallel with 6511 Sussex’s proceedings under the CCAA (the “**CCAA Proceedings**”).
3. In accordance with the Initial Order, the Monitor sought and, on April 17, 2026, obtained an Order of the Court in the CCAA Proceedings (the “**Sale Procedure Order**”), among other things: (i) approving the sale and solicitation procedures set forth herein (the “**Sale Procedure**”); (ii) authorizing the Monitor, for and on behalf of 6511 Sussex, to enter into the stalking horse agreement of purchase and sale dated April [●], 2026 (the “**Stalking Horse APS**”), between KingSett Mortgage Corporation (the “**Stalking Horse Bidder**”) and the Monitor, for and on behalf of 6511 Sussex, and approving the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse APS as the stalking horse bid (the “**Stalking Horse Bid**”), in each case, solely for the purposes of the Sale Procedure; and (iii) authorizing the Monitor to conduct the Sale Procedure contemporaneously with the Sale Process. The Sale Procedure Order and the Sale Procedure govern the process for soliciting and selecting bids for the sale of all of the remaining Inventory Units and all or substantially all of the other Highline Property.

4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Stalking Horse APS.

Opportunity

5. The Sale Procedure is intended to solicit interest in, and opportunities for, a sale of all of the remaining Inventory Units and all or substantially all of the other Highline Property, including indirectly by way of a share sale (the “**Sale**”).
6. The Monitor, for and on behalf of 6511 Sussex, has entered into the Stalking Horse APS which constitutes both a Qualified LOI and Qualified Final Bid (each as defined below) for all purposes and at all times under the Sale Procedure. The purchase price under the Stalking Horse APS, exclusive of all applicable taxes, is equal to the sum of the Highline Indebtedness, the Retained Liabilities, payable on, accruing to, or arising prior to the Closing, the Receiver’s Borrowings, the Priority Payables and the Reserve, subject to certain adjustments (the “**Stalking Horse Purchase Price**”).
7. Notwithstanding the Stalking Horse APS, all interested parties are encouraged to submit Qualified LOIs and Qualified Final Bids pursuant to the Sale Procedure.

Sale Procedure

8. The Sale Procedure describes, among other things, the Highline Property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Highline Property, the manner in which bidders may become Phase 1 Qualified Bidders and Phase 2 Qualified Bidders (each as defined below), the receipt, review and negotiation of bids received, the ultimate selection of one or more Successful Bids (as defined below), and the approval of any Successful Bid(s) by the Court.
9. The Monitor will use reasonable efforts to complete the Sale Procedure in accordance with the timelines set out herein. Notwithstanding any other provision of the Sale Procedure, the Monitor shall be permitted to make such adjustments to the timelines set out herein that it determines are appropriate or reasonably necessary in the circumstances.

Sale Procedure Timeline

10. The Sale Procedure will be conducted in two phases and in accordance with the following milestones:

Date/Deadline	Milestone
5:00 p.m. (Pacific Time) on May 20, 2026 (the “ LOI Deadline ”)	LOI Deadline – The deadline for interested parties to submit an executed letter of intent (“ LOI ”)

Date/Deadline	Milestone
5:00 p.m. (Pacific Time) on June 19, 2026 (the “ Final Bid Deadline ”)	Final Bid Deadline – Due date for Final Bids and Deposits (each as defined below)
Commencing at 10:00 a.m. Pacific Time within five (5) Business Days of the Monitor determining and notifying the applicable Phase 2 Qualified Bidders that submitted Qualified Final Bids that the Auction (as defined below) will take place (the “ Auction Date ”)	Auction (if any), to be held virtually or at the Monitor’s option at Bennett Jones LLP, 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8, or such other location as shall be timely communicated to all persons entitled to attend at the Auction, subject to such adjournments as the Monitor may consider appropriate
By no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid(s)	Hearing – Approval Application (as defined below)
Ten (10) Business Days following the later of (i) the expiry of applicable appeal periods in respect of the order approving the transaction, and (ii) in the event of an appeal or application for leave to appeal, final determination of such appeal or application; provided that if the Approval Order (as defined below) shall not have been subject to any unresolved material objections at the Approval Application, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed	Closing of the Successful Bid(s)

As Is, Where Is

11. A Sale of the Highline Property or any portion thereof will be on an “as is, where is” and “without recourse” basis and without representations, warranties, guarantees, covenants or indemnities of any kind, nature, or description by the Monitor or 6511 Sussex or any of their respective agents, representatives, partners or employees, or any of the other parties participating in the Sale Procedure, except to the extent set forth in the relevant final sale agreement between the Monitor, for and on behalf of 6511 Sussex, and a Successful Bidder (as defined below). By submitting an LOI and/or a Final Bid, each Potential Bidder (as defined below) and Phase 2 Qualified Bidder, as applicable, shall be deemed to

acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Highline Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Highline Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees of any kind, nature, or description, regarding the Highline Property, the physical condition or location of the Highline Property, or the completeness of any information provided in connection therewith, the Sale Procedure or the Auction, except as expressly stated in the Sale Procedure or as set forth in a relevant final sale agreement between the Monitor, for and on behalf of 6511 Sussex, and a Successful Bidder.

Free of any and all Claims and Interest

12. In the event of a Sale, all of the right, title and interest of 6511 Sussex in and to the Highline Property sold or transferred will, at the time of such sale or transfer, be sold or transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the “**Claims and Interests**”) pursuant to one or more approval and vesting or reverse vesting orders made by the Court (each, an “**Approval Order**”). All such Claims and Interests shall attach to the net proceeds of the sale of such Highline Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

Solicitation of Interest

13. As soon as reasonably practicable following the granting of the Sale Procedure Order, the Monitor will:
 - (a) prepare a letter (the “**Teaser Letter**”) describing the Highline Property, outlining the Sale Procedure and inviting recipients to express their interest in submitting a Qualified LOI and making a Qualified Final Bid pursuant to the Sale Procedure, for distribution to prospective bidders (collectively, “**Known Potential Bidders**”);
 - (b) prepare, with the assistance of counsel, a non-disclosure agreement in form and substance satisfactory to the Monitor (the “**NDA**”), which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by a Successful Bid;
 - (c) establish a confidential virtual data room (the “**VDR**”) containing such due diligence materials and information relating to the Highline Property, as the Monitor deems appropriate, which VDR will be maintained and administered by the Monitor;
 - (d) cause a notice of the Sale Procedure, and such other relevant information which the Monitor considers appropriate, to be published in applicable industry publications, websites and/or forums; and

- (e) send the Teaser Letter and NDA to all Known Potential Bidders and to any other party that requests a copy of the Teaser Letter and NDA as soon as practicable after such request.

Participation Requirements

- 14. In order to participate in the Sale Procedure, an interested party (each, a “**Potential Bidder**”) must deliver to the Monitor at the address specified in Section 42 hereof (including by email): (i) the executed NDA; (ii) written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect principals and equity holders of the Potential Bidder; and (iii) such other information that will enable the Monitor to determine that such party is likely, based on the availability of financing, experience and other considerations, to be able to consummate a Sale pursuant to the Sale Procedure. No Potential Bidder will be given access to the VDR or any additional information beyond the Teaser Letter unless and until such Potential Bidder has delivered the executed NDA and the confirmation and other information described in this Section 14.
- 15. A Potential Bidder that has executed and delivered the NDA and provided the confirmation, disclosure and information described in Section 14 hereof, and who the Monitor, in its sole discretion, determines has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a Sale contemplated herein, will be deemed a “**Phase 1 Qualified Bidder**” and will be promptly notified of such decision by the Monitor. For greater certainty, no Potential Bidder shall be deemed to be a Phase 1 Qualified Bidder without the approval of the Monitor. At any time prior the LOI Deadline, the Monitor may, in its reasonable business judgment, eliminate a Phase 1 Qualified Bidder from the Sale Procedure, in which case such bidder will no longer be a “Phase 1 Qualified Bidder” for the purposes of the Sale Procedure.

Due Diligence

- 16. The Monitor shall provide any Phase 1 Qualified Bidder with access to the confidential VDR and such other due diligence materials and information relating to the Highline Property as the Monitor deems appropriate. Upon the reasonable request of a Phase 1 Qualified Bidder, on-site inspections of the Highline Property may be arranged by the Monitor in its sole discretion.
- 17. The Monitor and 6511 Sussex make no representation or warranty as to the information to be provided through the due diligence process or otherwise, regardless of whether such information is provided in written, oral or any other form, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Monitor, for and on behalf of 6511 Sussex, and approved by the Court. Phase 1 Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information relating the Highline Property in connection with their participation in the Sale Procedure and any Sale.

Submission of LOIs

18. A Phase 1 Qualified Bidder that wishes to pursue a Sale of all of the remaining Inventory Units and all or substantially all of the other Highline Property further must deliver an executed LOI identifying such bidder's interest in a Sale to the Monitor at the address specified in Section 42 hereof (including by email), so as to be received by the Monitor not later than the LOI Deadline.
19. An LOI will only constitute a "**Qualified LOI**" if all of the following conditions are satisfied (collectively, the "**Qualified LOI Requirements**"):
 - (a) it is submitted by a Phase 1 Qualified Bidder, and received by the Monitor, on or before the LOI Deadline;
 - (b) it identifies or contains, as applicable, the following:
 - (i) the aggregate purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder, key assumptions supporting the valuation, and any proposed deductions or adjustments, which purchase price must be at least equal to the Stalking Horse Purchase Price, plus \$750,000 (the "**Minimum Bid Increment**");
 - (ii) a description of the Highline Property that is expected to be subject to the Sale and any of the Highline Property, and obligations or liabilities arising in connection with the Highline Property, expected to be excluded;
 - (iii) a specific indication of the financial capability (including an analysis of the Phase 1 Qualified Bidder's current available cash liquidity, and a summary of key covenants and or restrictions on such liquidity), together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
 - (iv) a detailed outline of any due diligence required to be conducted in order to submit a final and binding offer;
 - (v) an acknowledgement that any Sale will be on an "as is, where-is" basis;
 - (vi) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose;
 - (vii) a description of the conditions and approvals required for a final and binding offer and the expected timeline for same; and
 - (viii) any other terms or conditions of the Sale that the Phase 1 Qualified Bidder believes are material to the proposed transaction; and
 - (c) it does not contain any requirement or provision for a break fee, termination fee, expense reimbursement or similar type of payment associated with submitting an

LOI or Final Bid, pursuing a Sale, conducting due diligence in respect of an LOI, Final Bid or a Sale, or otherwise.

20. The Monitor may waive compliance with any one or more of the Qualified LOI Requirements specified above and deem such non-compliant bid to be a Qualified LOI.
21. The Stalking Horse Bidder shall be deemed to be a Phase 1 Qualified Bidder, and the Stalking Horse APS shall be deemed to be a Qualified LOI, for all purposes of the Sale Procedure, including for purposes of the Auction (if applicable).

Assessment of Qualified LOIs

22. Following the LOI Deadline, the Monitor will assess the Qualified LOIs. If it is determined by the Monitor that a Phase 1 Qualified Bidder that has submitted a Qualified LOI has a *bona fide* interest in completing a Sale and the financial capability (based on availability of financing, experience, the financial information provided and other considerations) to consummate such a transaction, then such Phase 1 Qualified Bidder will be deemed to be a “**Phase 2 Qualified Bidder**”. Only Phase 2 Qualified Bidders shall be permitted to submit a Final Bid in the Sale Procedure. The Stalking Horse Bidder shall be deemed to be a Phase 2 Qualified Bidder.
23. If the Monitor does not receive any LOIs or any LOIs that, based on the Monitor’s assessment, constitute a Qualified LOI or are likely to result in the submission of a Phase 2 Qualified Bid (other than the Stalking Horse Bid) by the Final Bid Deadline, then the Stalking Horse APS will be deemed to be the Successful Bid and the Monitor shall take reasonable steps to perform Section 29 hereof.

Submission of Final Bids

24. A Phase 2 Qualified Bidder that wishes to make a bid for all of the remaining Inventory Units and all or substantially all of the other Highline Property must deliver to the Monitor at the address specified in Section 42 hereof (including by email), so as to be received by the Monitor not later than the Final Bid Deadline, a final, written, binding offer (each, a “**Final Bid**”) in the form of a fully executed purchase and sale agreement.
25. A Final Bid will only constitute a “**Qualified Final Bid**” if all of the following conditions are satisfied (collectively, the “**Qualified Final Bid Requirements**”):
 - (a) it is submitted by a Phase 2 Qualified Bidder, and received by the Monitor, on or before the Final Bid Deadline;
 - (b) it provides for the payment in full and in cash of at least:
 - (i) the Stalking Horse Purchase Price; and
 - (ii) the Minimum Bid Increment;

- (c) it contains a duly executed purchase and sale agreement substantially in the form of the Stalking Horse APS and a blackline of the executed purchase and sale agreement to the Stalking Horse APS;
- (d) it includes a letter stating that the Final Bid is irrevocable until there is a Successful Bid, provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder or the Backup Bidder (as defined below), its Final Bid shall remain an irrevocable offer until the earlier of (i) two (2) Business Days after the date of closing of the transaction contemplated by the Successful Bid and (ii) the Outside Date (as defined below);
- (e) it provides written evidence, satisfactory to the Monitor, of (i) a firm, irrevocable financial commitment for all required funding or financing and/or (ii) evidence of the Phase 2 Qualified Bidder's financial wherewithal to close the bid using unencumbered funds on hand;
- (f) given the ongoing Sale Process, it identifies (i) the Inventory Units that are required to be owned by 6511 Sussex as of the closing date of the transaction and (ii) any adjustments to the purchase price that may result from the sale of any of the Inventory Units prior to the closing date of the transaction;
- (g) it does not include any request for or entitlement to any expense reimbursement, termination fee, break fee or similar type of payment;
- (h) it provides for an assumption of liabilities and other economic terms that are at least as favourable in the aggregate as those in the Stalking Horse APS;
- (i) it is accompanied by a refundable deposit (the "**Deposit**" and collectively, the "**Deposits**") in the form of a wire transfer to a bank account specified by the Monitor, or such other form of payment acceptable to the Monitor, payable to the order of the Monitor, for and on behalf of 6511 Sussex, in trust, in the amount of 10.00% of the cash consideration outlined in 25(b) above (i.e., 10% of the sum of the Stalking Horse Purchase Price and the Minimum Bid Increment) to be held and dealt with in accordance with the Sale Procedure;
- (j) it is not conditional upon:
 - (i) the outcome of unperformed due diligence; and/or
 - (ii) obtaining financing;
- (k) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder:
 - (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Final Bid;

- (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Monitor or 6511 Sussex, or any of their respective advisors, except as expressly stated in the purchase and sale agreement submitted by it;
 - (iii) is a sophisticated party, capable of making its own assessments in respect of making its Final Bid; and
 - (iv) has had the benefit of independent legal advice in connection with its Final Bid; and
- (l) it contains evidence of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body), if applicable, and identifies each entity or person and representatives thereof who are authorized to appear and act on behalf of the Phase 2 Qualified Bidder for all purposes regarding the transaction.
26. The Monitor may, in its reasonable discretion, waive compliance with any one or more of the Qualified Final Bid Requirements specified herein, and deem such non-compliant bid to be a Qualified Final Bid in accordance with the Sale Procedure.
27. The Stalking Horse APS shall be deemed to be a Qualified Final Bid, for all purposes of the Sale Procedure, including for purposes of the Auction (if applicable).

Assessment of Qualified Final Bids

28. The Monitor shall assess all Qualified Final Bids submitted on or before the Final Bid Deadline, to determine whether the transactions contemplated by such Qualified Final Bids are likely to be consummated. Such assessments will be made as promptly as practicable.
29. If the Monitor determines that no Qualified Final Bids other than the Stalking Horse APS were received, or that at least one additional Qualified Final Bid was received but it is unlikely that the transactions contemplated in any such Qualified Final Bid(s) will be consummated, then the Stalking Horse APS will be deemed to be the Successful Bid and the Monitor shall:
- (a) forthwith terminate the Sale Procedure;
 - (b) notify each Phase 2 Qualified Bidder that submitted a Qualified Final Bid (if any) that the Sale Procedure has been terminated;
 - (c) notify the Stalking Horse Bidder that it is the Successful Bidder; and
 - (d) as soon as reasonably practicable after such termination, and in any event, no later than fifteen (15) Business Days following the selection (or deemed selection) of the

Successful Bid, file the Approval Application with the Court seeking approval, after notice and hearing, to implement the Stalking Horse APS.

30. Subject to Section 29 hereof, if one or more Qualified Final Bids (other than the Stalking Horse Bid) have been received by the Monitor on or before the Final Bid Deadline, the Monitor will proceed with an auction process to determine the Successful Bid(s) (the “**Auction**”). The successful bid selected within the Auction shall constitute the “Successful Bid”. Forthwith upon determining to proceed with an Auction, the Monitor shall provide written notice to each Phase 2 Qualified Bidder that submitted a Qualified Final Bid (including the Stalking Horse Bidder) in accordance with the terms herein, along with unredacted copies of all Qualified Final Bids and a statement by the Monitor specifying which Qualified Final Bid is the Starting Bid (as defined below).

Auction

31. If an Auction is to be held, the Monitor will conduct the Auction in accordance with the following procedures:
- (a) prior to 4:00 p.m. (Pacific Time) on the day before the Auction Date, each Phase 2 Qualified Bidder that has made a Qualified Final Bid and the Stalking Horse Bidder, must inform the Monitor whether it intends to participate in the Auction (the parties who so inform the Monitor that they intend to participate are hereinafter referred to as the “**Auction Bidders**”);
 - (b) the identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder participating in the Auction;
 - (c) only representatives of the Auction Bidders, the Monitor and such other persons as permitted by the Monitor (and the advisors to each of the foregoing entities) are entitled to attend the Auction;
 - (d) the Monitor may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, including with respect to the ability of multiple Auction Bidders to combine to present a single bid, provided that such rules are (i) not inconsistent with the Sale Procedure, general practice in insolvency proceedings, or the Initial Order and (ii) disclosed to each Auction Bidder at the Auction;
 - (e) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction;
 - (f) the Monitor may arrange to have a court reporter attend at the Auction;
 - (g) each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with any other person, without the express written consent of the Monitor, regarding the Sale Procedure, that has not been disclosed to all other Auction Bidders;

- (h) prior to the Auction, the Monitor will provide unredacted copies of the Qualified Final Bid(s) which the Monitor believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Final Bid(s) (the “**Starting Bid**”) to the Stalking Horse Bidder and to all Phase 2 Qualified Bidders that have made a Qualified Final Bid;
- (i) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (each, a “**Subsequent Bid**”) that the Monitor determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the then current highest and best bid (the “**Leading Bid**”), in each case by at least \$750,000, or such amount as may be determined by the Monitor prior to, and announced at, the Auction;
- (j) the Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided, however, that such Subsequent Bids are made in accordance with the Sale Procedure;
- (k) to the extent not previously provided (which shall be determined by the Monitor), an Auction Bidder submitting a Subsequent Bid must submit, at the Monitor’s discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit quality support information or enhancement reasonably acceptable to the Monitor), demonstrating such Auction Bidder’s ability to close the transaction proposed by the Subsequent Bid;
- (l) only the Auction Bidders will be entitled to make a Subsequent Bid at the Auction; provided, however, that in the event that any Phase 2 Qualified Bidder that submitted a Qualified Final Bid elects not to attend and/or participate in the Auction, such Phase 2 Qualified Bidder’s Qualified Final Bid shall nevertheless remain fully enforceable against such Phase 2 Qualified Bidder, if it is selected as the Successful Bid or the Backup Bid;
- (m) all Auction Bidders shall have the right to, at any time, request that the Monitor announce the then-current Leading Bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Leading Bid;
- (n) the Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things (i) facilitate discussions between the Monitor and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Monitor with such additional evidence as the Monitor, in its reasonable business judgment, may require to determine that such Auction Bidder has sufficient internal resources to consummate the proposed transaction at the prevailing overbid amount;

- (o) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed; and
 - (p) no bids shall be considered after the conclusion of the Auction.
32. At the end of the Auction, the Monitor shall select the successful bid (the “**Successful Bid**”, with such bidder being the “**Successful Bidder**”). Upon selection of a Successful Bidder, the Successful Bidder shall deliver as soon as practicable an executed transaction document, which reflects its bid, and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Application.
33. If an Auction is conducted, the Auction Bidder and/or Phase 2 Qualified Bidder with the next highest or otherwise best Qualified Final Bid at the Auction or, if such Phase 2 Qualified Bidder did not participate in the Auction, submitted in the Sale Procedure, as determined by the Monitor, will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its Qualified Final Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder’s final overbid) (the “**Backup Bid**”) open until the earlier of: (i) two (2) Business Days after the date of closing of the transaction contemplated by the Successful Bid; and (ii) August 19, 2026 (the “**Outside Date**”).
34. The Monitor shall have selected the final Successful Bid(s) and the Backup Bid(s) as soon as reasonably practicable after the Auction Date and the definitive documentation in respect of the Successful Bid must be finalized and executed prior to the Auction Closing Date (as defined below), which definitive documentation shall be conditional only upon the receipt of the Approval Order and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the proposed transaction by no later than ten (10) Business Days following:
- (a) expiry of applicable appeal periods in respect of the order approving the transaction, provided that if the Approval Order shall not have been subject to any unresolved material objections at the Approval Application, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed;
 - (b) in the event of an appeal or application for leave to appeal, final determination of such appeal or application; or
 - (c) such longer period as shall be agreed to by the Monitor in writing,
- (each, an “**Auction Closing Date**”).

In any event, the Successful Bid must be closed by no later than the Outside Date, or such other date as may be agreed to by the Monitor in writing.

Approval of Successful Bid

35. The completion of any Sale shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived. The Monitor shall apply to the Court (the “**Approval Application**”) for an Approval Order approving the Successful Bid and the Backup Bid (as applicable) and vesting title to any purchased Highline Property in the name of the Successful Bidder or the Backup Bidder (as applicable). The Approval Application will be held on a date to be scheduled by the Monitor and confirmed by the Court. Subject to Court availability, the Monitor shall use best efforts to schedule the Approval Application no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid. The Approval Application may be adjourned or rescheduled by the Monitor on notice to the service list prior to the Approval Application. The Monitor shall consult with the Successful Bidder and the Backup Bidder (as applicable) regarding the application material to be filed by the Monitor for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.
36. If following approval of the Successful Bid by the Court, the Successful Bidder breaches its obligations to close the applicable transaction, then such Successful Bidder will forfeit its Deposit and the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Monitor shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.
37. All Qualified Final Bids (other than the Successful Bid) shall be deemed rejected on the applicable Auction Closing Date.

Deposits

38. All Deposits shall be retained by the Monitor in a bank account specified by the Monitor. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposit paid by the Backup Bidder shall be retained by the Monitor until two (2) Business Days after the Auction Closing Date of the Successful Bid or the Outside Date, whichever is later, or, if the Backup Bid becomes the Successful Bid, shall be released by the Monitor and applied to the purchase price to be paid upon closing of the Backup Bid.
39. All Deposits of all Phase 2 Qualified Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Successful Bid and any Backup Bid is approved by the Court. If the Auction does not take place or the Sale Procedure is terminated in accordance with the provisions hereof, all Deposits shall be returned to the applicable Phase 2 Qualified Bidders within five (5) Business Days of the date upon which it is determined that the Auction will not take place or the Sale Procedure is terminated, as applicable.
40. If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Monitor, for and on behalf

of 6511 Sussex; provided however that the forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Monitor or 6511 Sussex have against such breaching entity.

Approvals

41. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or that are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

Notice Requirements

42. Any communication, LOIs, Final Bids and all associated documentation to be given under the Sale Procedure by any person to the Monitor shall be in writing in substantially the form, if any, provided for in the Sale Procedure and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

KSV Restructuring Inc.
1165, 324 – 8th Avenue, SW
Calgary, Alberta
T2P 2Z2 Canada

Attn: Noah Goldstein / Jason Knight
Email: ngoldstein@ksvadvisory.com / jknight@ksvadvisory.com

with a copy to:

Bennett Jones LLP
666 Burrard Street, Suite 2500
Vancouver, British Columbia
V6C 2X8 Canada

Attn: Mark V. Lewis / Sean Zweig / Joshua Foster
Email: lewismv@bennettjones.com / zweigs@bennettjones.com / fosterj@bennettjones.com

Reservation of Rights

43. The Monitor may reject, at any time, any bid (other than the Stalking Horse Bid) that is inadequate or insufficient, or not in conformity with the requirements of the Sale Procedure or any orders of the Court applicable to 6511 Sussex in the Receivership Proceedings or the CCAA Proceedings, and in accordance with the terms hereof, may impose additional terms and conditions and otherwise seek to modify the Sale Procedure at any time in order to maximize the results obtained, and may accept bids not in conformity with the Sale Procedure to the extent that the Monitor determines, in its reasonable business judgment, that doing so would benefit 6511 Sussex and its stakeholders.

44. The Monitor may, in its reasonable discretion and subject to the terms of the Stalking Horse APS, extend the Final Bid Deadline, the Outside Date, the date for selection of the final Successful Bid(s) and the Backup Bid(s), the date for finalization and execution of definitive documentation in respect of the Successful Bid, and/or the date for the hearing of the Approval Application.
45. Prior to the conclusion of the Auction, the Monitor may impose such other terms and conditions, on notice to the relevant Auction Bidders, as the Monitor may determine to be in the best interests of 6511 Sussex and its stakeholders that are not inconsistent with any of the procedures in the Sale Procedure.
46. The Sale Procedure does not, and shall not be interpreted to, create any contractual or other legal relationship between the Monitor or 6511 Sussex and any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Auction Bidder, Successful Bidder or Backup Bidder, other than as specifically set forth in definitive documentation that may be executed by the Monitor, for and on behalf of 6511 Sussex.
47. Participants in the Sale Procedure, are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Final Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction, including, without limitation, any actions pursuant to the Sale Procedure or within the Auction.

No Amendment

48. Subject to Sections 9 and 43-45 herein, there shall be no amendments to the Sale Procedure without the prior written consent of the Monitor and the Stalking Horse Bidder, or further order of the Court obtained on reasonable notice to the Monitor.

Further Orders and Jurisdiction of the Court

49. At any time during the Sale Procedure, the Monitor may apply to the Court for advice and directions with respect to the discharge of its powers and duties under the Sale Procedure or the interpretation or application of the Sale Procedure.
50. Except as otherwise provided in the Sale Procedure or the Stalking Horse APS, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Stalking Horse APS, the Sale Procedure Order, and the Sale Procedure.

No. S-261991
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36**

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

6511 SUSSEX HEIGHTS DEVELOPMENT LTD.

RESPONDENT

ORDER MADE AFTER APPLICATION
STALKING HORSE SALE PROCEDURE ORDER

Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8
Attention: Andrew Froh and Joshua Foster

Tel No.: (604) 891-7500