

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

APR 17 2026

ENTERED



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

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 13, 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 13, 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 “I” 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.

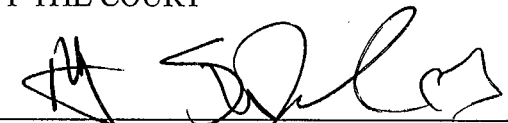
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



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 13, 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