

Clerk's Stamp:



COURT FILE NUMBER

2501-06120

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE OF

CALGARY

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

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
SUNTERRA FOOD CORPORATION, TROCHU
MEAT PROCESSORS LTD., SUNTERRA QUALITY
FOOD MARKETS INC., SUNTERRA FARMS LTD.,
SUNWOLD FARMS LIMITED, SUNTERRA BEEF
LTD., LARIAGRA FARMS LTD., SUNTERRA FARM
ENTERPRISES LTD., SUNTERRA ENTERPRISES
INC.

APPLICANT(S):

SUNTERRA FOOD CORPORATION, TROCHU
MEAT PROCESSORS LTD., SUNTERRA QUALITY
FOOD MARKETS INC., SUNTERRA FARMS LTD.,
SUNWOLD FARMS LIMITED, SUNTERRA BEEF
LTD., LARIAGRA FARMS LTD., SUNTERRA FARM
ENTERPRISES LTD., SUNTERRA ENTERPRISES
INC.

DOCUMENT

APPLICATION FOR INTERIM FINANCING

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING DOCUMENT

Blue Rock Law LLP
700-215 9 Avenue SW
Calgary AB T2P 1K3
Attention: David W. Mann KC/Scott Chimuk
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Email Address: david.mann@bluerocklaw.com
scott.chimuk@bluerocklaw.com
File No. 1375-00001

NOTICE TO THE RESPONDENT(S)

This application is made against you.

You are a Respondent. You have the right to state your side of this matter before the Court.

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

Date: December 11, 2025

Time: 9:00 a.m.

Where: Virtual Courtroom

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom02>

Instructions for Connecting to the Meeting

1. Click on the link above or open Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Before Whom: The Honourable Justice M.J. Lema

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

Remedy claimed or sought:

1. An Order substantially in the form attached at Schedule 1 to this Application (the "**Interim Financing Approval Order**"), among other things:
 - a. Approving the Interim Financing Facility (the "**DIP Facility**") for the Sunterra Group, as detailed in the Affidavit of Arthur Price sworn on December 8, 2025;
 - b. Granting a priority charge over the assets of the Applicants to secure the DIP Facility (the "**DIP Lender's Charge**"); and
 - c. Granting such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

Background of CCAA Proceedings

2. On March 24, 2025, certain members of the Sunterra Group filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended.
3. On April 22, 2025 (the "**Filing Date**"), the Applicants, being the companies that comprise the Sunterra Group, were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of this Honourable Court.

4. The Initial Order appointed FTI Consulting Canada Inc. as Monitor (the "**Monitor**") in these CCAA proceedings and granted an Administration Charge and a Directors' Charge to secure certain fees and disbursements.
5. Since the Filing Date, the Sunterra Group has been working diligently to stabilize its cash flow, restructure its operations, and preserve the value of its business as a going concern, all in close consultation with the Monitor.

Need for Interim Financing

6. The approval of the DIP Facility is urgently required to accomplish two critical and interconnected objectives that are essential to enhancing the value of the Applicants' estate and advancing a successful emergence from these CCAA proceedings. These objectives are to:
 - a. fund the repayment of a loan from Alberta Treasury Branches (the "**ATB Loan**") to prevent the forfeiture of a valuable asset, namely Sunterra Enterprises Inc.'s ("**SEI**") 50% shareholding in West Market Square Inc. ("**West Market**"); and
 - b. create part of the necessary liquidity to permanently retire the revolving operating credit facility owed to National Bank of Canada ("**NBC**"), all in keeping with enhancing value in the Applicants' estate and advancing towards a successful emergence from these proceedings.
7. SEI, one of the Applicants, owns 50% of the shares of West Market (the "**WMS Shares**"), which has an approximate value of \$21.6 million, making SEI's interest worth over \$10.8 million.
8. In October 2023, to secure the ATB Loan, SEI pledged the WMS Shares to its co-shareholder, Signature Pointe Development Inc. ("**SPDI**"). A term of this Share Pledge requires the ATB Loan to be repaid in full by **December 15, 2025**. Failure to meet this deadline will result in the automatic forfeiture of the WMS Shares to SPDI, which would cause a substantial and irreversible loss to the Applicants' estate and their stakeholders.
9. The first tranche of the proposed DIP Facility is essential to fund the repayment of the ATB Loan before the December 15, 2025 deadline, thereby releasing the WMS Shares from the pledge and preserving this significant asset for the benefit of the estate.

Retirement of the NBC Operating Facility

10. The relationship between the Applicants and their operating lender, NBC, has become untenable and litigious. The parties are engaged in multiple legal disputes, and the Applicants have lost all confidence in NBC's ability to provide objective banking services.

11. A successful restructuring and emergence from CCAA is predicated on the Applicants securing a stable operating lending relationship. The Applicants cannot emerge from these proceedings with NBC as their operating lender.
12. The second tranche of the DIP Facility, combined with other estate resources such as an anticipated Agristability grant, will provide the necessary funds to repay NBC's operating facility in full (the "**NBC Paydown**"). This will transition NBC from an operating lender to solely a litigant, which is a crucial step toward formulating a viable Plan of Compromise or Arrangement (a "**Plan**").

Good Faith, Due Diligence, and Reasonableness of the DIP Facility

13. The Applicants, with the assistance of their financial advisor, Hawco Peters, conducted a diligent and comprehensive solicitation process to secure interim financing. This process involved contacting 28 potential lenders, resulting in a final, commercially reasonable term sheet from Bull Market Private Equity Group (the "**DIP Lender**").
14. The Applicants have acted, and continue to act, in good faith and with due diligence to advance these CCAA proceedings. Securing the DIP Facility is a necessary and prudent step to preserve a key asset and ensure a successful restructuring.
15. The approval of the DIP Facility will enhance the prospects of a viable Plan being made for the benefit of all stakeholders by preserving the value of the West Market asset and resolving the unstable banking relationship with NBC.
16. No creditors will be materially prejudiced by the approval of the DIP Facility and the DIP Lender's Charge. The purpose of the financing is not to provide an advantage to any single creditor, but rather to execute strategic transactions that increase the overall value of the estate for the benefit of all stakeholders. The benefit of preserving an asset worth over \$10 million and facilitating a viable Plan far outweighs any potential prejudice resulting from the priority of the DIP Lender's Charge.
17. The terms of the proposed DIP Facility, as set out in the DIP Term Sheet, are commercially reasonable in the circumstances.

Material or evidence relied on:

18. The Applicants rely on:
 - a. The Affidavit of Arthur Price sworn on April 15, 2025;
 - b. The Affidavit of Arthur Price sworn on December 8, 2025, filed in support of this Application;

- c. The Orders previously granted in these proceedings;
- d. The Report of the Monitor, to be filed; and
- e. Such further and other evidence as may be required and this Honourable Court may permit.

Applicable rules:

- 13. Rules 1.3, 6.3, 6.9, 11.20, 11.21, 11.22, and 11.27 and generally the Rules of the Alberta Rules of Court.
- 14. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

- 15. The provisions of the CCAA, including Sections 11 and 11.2, and the inherent and equitable jurisdiction of the Court.
- 16. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

- 17. None.

How the application is proposed to be heard or considered:

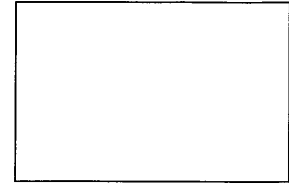
- 18. By virtual hearing before the Honourable Justice M.J. Lema on December 11, 2025, as identified above.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule 1

Clerk's Stamp:



COURT FILE NUMBER
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COURT OF KING'S BENCH OF ALBERTA
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INTERIM FINANCING APPROVAL ORDER

CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

Blue Rock Law LLP
700-215 9 Avenue SW
Calgary AB T2P 1K3
Attention: David W. Mann KC/Scott Chimuk
Phone: (587) 317-0643/(587) 390-7041
Fax: (825) 414-0831
Email Address: david.mann@bluerocklaw.com
scott.chimuk@bluerocklaw.com
File No. 1375-00001

DATE ON WHICH ORDER WAS

PRONOUNCED:

December 11, 2025

NAME OF JUDGE WHO MADE THIS

ORDER:

The Honourable Justice M.J. Lema

LOCATION OF HEARING:

Edmonton, Alberta

UPON the application of Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Beef Ltd., Lariagra Farms Ltd.,

Sunterra Farm Enterprises Ltd., Sunterra Enterprises Inc. (collectively, the **"Applicants"** or **"Sunterra Group"**); **AND UPON** having read the Application, the Affidavit of Arthur Price dated December 8, 2025; **AND UPON** reading the Report of the Monitor, FTI Consulting Canada Inc. (the **"Monitor"**); **AND UPON** hearing counsel for the Applicants and any other counsel who may be present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the **"Order"**) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

DEFINITIONS AND INTERPRETATION

2. Any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order of this Honourable Court dated April 28, 2025 (the **"Initial Order"**).
3. For the purposes of this Order, the following terms shall have the meanings set forth below:

"DIP Lender" means Bull Market Private Equity Group.

"DIP Facility" means the credit facility to be made available by the DIP Lender to the Applicants pursuant to the DIP Term Sheet and the Definitive Documents (each as defined below).

"DIP Term Sheet" means the DIP Facility Term Sheet dated as of December 7, 2025, entered into among the Applicants, as borrowers, and the DIP Lender, as lender, which sets out the principal terms and conditions governing the DIP Facility (including, without limitation, the maximum commitment, purpose, interest rate, fees, conditions precedent, covenants, events of default and maturity), together with all schedules and exhibits thereto, and as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Definitive Documents" means, collectively, the DIP Term Sheet and all credit agreements, guarantees, security documents, inter-creditor agreements, fee letters, promissory notes and any other document required by the DIP Lender in connection with the DIP Facility, each as may be amended, restated, supplemented or otherwise modified from time to time.

AUTHORIZATION TO BORROW

4. The Applicants are hereby authorized and empowered to obtain and borrow, on a joint and several basis, under the DIP Facility up to an aggregate principal amount of \$8,000,000.00 (exclusive of interest, fees and expenses) pursuant to, and on the terms and subject to the conditions set forth in,

the DIP Term Sheet and the other Definitive Documents.

5. The Applicants are further authorized and empowered to incur and pay all DIP Obligations (as defined below) as and when the same become due and without the need for further order of this Court.

DEFINITIVE DOCUMENTS

6. The Applicants are hereby authorized and empowered to execute, deliver and perform their obligations under the Definitive Documents. Any officer or director of an Applicant is authorized and directed, for and in the name of and on behalf of such Applicant, to execute and deliver the Definitive Documents, together with such certificates, instruments, agreements and other documents as may be reasonably required by the DIP Lender pursuant thereto, and to take all such further actions as may be considered necessary or desirable to give effect to the terms thereof.

DIP OBLIGATIONS

7. All indebtedness, liabilities and obligations of the Applicants to the DIP Lender under the Definitive Documents (collectively, the **"DIP Obligations"**) shall be due and payable in accordance with the terms of the Definitive Documents, notwithstanding any other provision of any order of this Court.

DIP LENDER'S CHARGE

8. As security for the DIP Obligations, the DIP Lender is hereby granted a charge upon the Property (the **"DIP Lender's Charge"**). The DIP Lender's Charge shall rank in priority to all other security interests, mortgages, trusts, liens, charges, and encumbrances, statutory or otherwise, except: (a) the Court-ordered Administration Charge and Director's Charge, and (b) Farm Credit Canada in connection with the Farm Assets (as defined in the DIP Facility). This priority ranking shall not be altered without further order of this Court.
9. The DIP Lender's Charge shall not secure any obligation existing prior to April 22, 2025, the "Filing Date" under the Initial Order.

PERFECTION & FURTHER ASSURANCES

10. The DIP Lender may take any steps it deems necessary or advisable to file, register, record or perfect the DIP Lender's Charge or the Definitive Documents, including registering financing statements, mortgages, hypothecs, or notices in any jurisdiction, and no further order shall be required to give full force and effect to same.
11. The Applicants shall execute and deliver all such documentation and provide all such assurances as

may be reasonably required to give effect to the intent of this Order.

REMEDIES ON DEFAULT

12. Upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender may, subject to providing five (5) Business Days' written notice to the Applicants, the Monitor and counsel to the Applicants, exercise any and all of its rights and remedies against the Applicants or the Property, including, without limitation: (i) ceasing further advances; (ii) making demand and accelerating payment; (iii) setting-off or consolidating accounts; and (iv) seeking the appointment of a receiver or a bankruptcy order.
13. The foregoing rights and remedies shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver-manager of the Applicants or the Property.

TREATMENT IN ANY PLAN

14. The DIP Lender shall be treated as "unaffected" in any plan of compromise or arrangement filed by the Applicants under the CCAA, or any proposal filed under the *Bankruptcy and Insolvency Act* (Canada), with respect to all obligations owing to the DIP Lender under the Definitive Documents.

PROVISIONAL EXECUTION & NON-DEROGATION

15. This Order is subject to provisional execution and shall remain in full force and effect until varied or vacated. Any subsequent stay, variation or reversal of this Order shall not impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender in respect of any amounts advanced or obligations incurred prior to the DIP Lender receiving notice of such stay, variation or reversal.

GENERAL

16. Service and Notice – The Monitor is directed to post a copy of this Order to the Monitor's website established for these proceedings and to serve the same upon the service list. No other notice need be given.
17. Effective Date – This Order is effective as of the date it is pronounced and shall be entered forthwith.
18. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body or agency having jurisdiction in Canada, the United States of America, or any other foreign jurisdiction. Such bodies are requested to give effect to this Order and to assist the Sunterra Group, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative agencies are respectfully requested to make such orders and provide such assistance to the Sunterra Group and the Monitor, as an officer of this Court, as may

be necessary to implement this Order or to assist the Sunterra Group entities and the Monitor and their respective agents.

Justice of the Court of King's Bench of Alberta