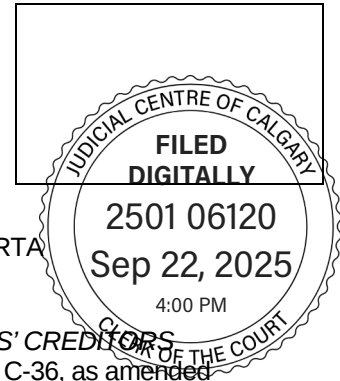


Clerk's Stamp:



COURT FILE NUMBER

2501 06120

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

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

CLAIMANT

NATIONAL BANK OF CANADA

RESPONDENTS TO THE
CLAIM

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 INC., SUNTERRA ENTERPRISES INC.,
RAY PRICE, DEBBIE UFFELMAN and CRAIG THOMPSON

DOCUMENT

STATEMENT OF DEFENCE

PARTIES FILING THIS
DOCUMENT

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 INC., SUNTERRA ENTERPRISES INC.,
RAY PRICE, DEBBIE UFFELMAN and CRAIG THOMPSON

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING DOCUMENT

Blue Rock Law LLP
700-215 9 Avenue SW
Calgary AB T2P 1K3
Attention: Scott Chimuk; David Mann KC
Phone: (587) 390-7041
Fax: (825) 414-0831
Email Address: scott.chimuk@bluerocklaw.com;
david.mann@bluerocklaw.com

File No. 1375-00001

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

General Denial and Overview

1. The Defendants, Sunterra Food Corporation, Trochu Meat Processors Ltd. ("**Trochu Meat**"), Sunterra Quality Food Markets Inc. ("**Sunterra Markets**"), Sunterra Farms Ltd. ("**Sunterra**

Canada”), Sunwold Farms Limited (“**Sunwold Canada**”) Sunterra Beef Ltd. (“**Sunterra Beef**”), Lariagra Farms Ltd. (“**Lariagra Canada**”), Sunterra Farm Enterprises Inc (“**Sunterra Farm Enterprises**”) and Sunterra Enterprises Inc (“**Sunterra Enterprises**”) (collectively the “**Corporate Defendants**”), Ray Price (“**Price**”), Debbie Uffelman (“**Uffelman**”) and Craig Thompson (“**Thompson**”), deny every allegation of fact, purported fact, speculation, hearsay, opinion, conclusion, and argument set out in the Statement of Claim of National Bank of Canada (“**NBC**”) unless expressly admitted herein.

2. The Respondents plead and rely on the allegation set out in the Sunterra Statement of Claim filed on March 24, 2025 in Court File Number 2501-04640 (“**Sunterra Statement of Claim**”).

Key Facts

3. The corporate defendants are private corporations incorporated in Alberta and are members of the Sunterra Group, A series of companies ultimately owned and operated by members of the Price family. The Sunterra Group has operations dating back over 50 years, spanning multiple sectors of the agricultural and food distribution industries.
4. The Corporate Defendants bank with NBC, having originally opened their bank accounts with Canadian Western Bank, which was acquired by NBC.
5. Three US Sunterra entities banked with Compeer Financial, PCA (“**Compeer**”), Sunworld Farms Inc. (“**Sunwold US**”), Sunterra Farms Iowa Inc. (“**Sunterra US**”), Lariagra Farms South Inc. (“**Lariagra US**”) (collectively, the “**US Hog Farm Entities**”).
6. The Canadian hog farm entities of the Sunterra Group, namely Sunterra Canada, Sunwold Canda and Lariagra Canada (collectively, the “**Canadian Hog Farm Entities**”) worked with the US Hog Farm Entities in a large pig farming business. Piglets are bred in Canada and were sold to the US Hog Farm Entities. The piglets are produced to No Antibiotics Ever or NAE standards and as such attract a premium price when sold to the US Hog Farm Entities, and again once they mature into hogs and are sold in the US market. To achieve that premium, significant time and resources are required.
7. NBC wrongfully and without warning froze all of the deposit accounts and credit facilities of the Canadian Hog Farm Entities in February 2025, cancelled, withdrew and/or retracted previously issued cheques and continued thereafter to cancel and return NSF cheques despite their knowledge of the critical importance of the payments for the going concern businesses of the Corporate Defendants, or some of them, and to cause other unjustified obstruction to the business and assets of the Corporate Defendants (“**NBC breaches**”). The NBC breaches have caused the Canadian Hog Farm Entities to suffer serious loss and damages, in particular but without limitation to their going concern businesses and their reputation in the market, and also to their customers in

the US, being the US Hog Farm Entities, which has resulted in significant loss and damages to the Corporate Defendants and to Sunterra Canada and Sunwold Canada in particular, all of which are claimed against NBC by way of set off.

8. Further, if Sunterra Canada, Sunwold Canada, Sunterra Enterprises, Price and Uffelman (collectively, the “**Compeer Claim Defendants**”), are found liable to Compeer pursuant to a third party claim brought by Compeer against the Compeer Claim Defendants, which is denied, the Compeer Claim Defendants say that the damages alleged to be caused are more properly attributable to the actions of NBC, not any of the Compeer Claim Defendants. The Compeer Claim Defendants claim set off and seek contribution and indemnity from NBC with respect to same.
9. The Defendants allege in the alternative that if Compeer suffered a loss, which is denied, that loss was caused by the banking practise of NBC in knowingly transferring funds from Compeer such that it caused a loss to Compeer and a benefit to NBC. Accordingly, such a loss was caused by the conduct of NBC.
10. Further, both NBC and Compeer have separately and together acted in breach of their obligations to act in good faith, or have otherwise failed to act in good faith, in relation to the Defendants specifically, but also in the context of these CCAA proceedings.

Specific Responses

11. The Defendants deny that they are liable to NBC by way of contribution or indemnity, or otherwise, arising or in any way connected with the “**Compeer v NBC Claim**” as is defined in the Consent Order (Scheduling) granted by the Honourable Justice Lema herein on July 24, 2025 (the “**Consent Procedural Order**”), as follows:

*“**Compeer v. NBC Claim**” means every claim Compeer has or may have against National Bank of Canada (as amalgamation successor to Canadian Western Bank) that is related to, arises from or is in anyway connected to Canadian Western Bank dishonoring cheques issued by Sunterra Farms Inc. [sic – Ltd.] or Sunwold Farms Limited in favour of the Sunterra US Entities [collectively, Sunterra Farms Iowa, Inc. and Sunwold Farms, Inc.];,*

excluding any claim for the “NBC Indebtedness” as defined in paragraph 2 of the Consent Procedural Order.

12. The Defendants deny that they owe to NBC (meaning NBC and its predecessor CWB) any duties as alleged or at all, or alternatively that to the extent that they owed any duties that they breached any duties as alleged or at all.
13. Further, the Defendants deny that they have a shared liability to Compeer such that NBC can claim contribution from the Defendants or any of them for any liability of NBC to Compeer pursuant to the Compeer v. NBC Claim.

14. The Defendants deny that they caused or are liable for any damages as alleged or at all.
15. In the alternative, if any loss or damages has been or will be suffered by NBC pursuant to the Compeer v. NBC Claim for which any of the Defendants are liable by way of indemnity or contribution, then there has been a failure to mitigate by NBC.
16. The Defendants deny that they have any liability to Compeer at all, and/or have been unjustly enriched, or may be unjustly enriched by the Compeer v. NBC claim, such that they would be liable to contribute to any liability that NBC may have to Compeer.
17. In the alternative, any liability of the Defendants, or any of them, which is denied, to Compeer would not be connected to any liability of NBC to Compeer, such that they would be liable to NBC in damages by way of indemnity and/or contribution.
18. In the alternative, NBC by its actions is not an innocent party in respect of any losses suffered by Compeer, which Compeer claims or may claim against NBC.
19. Further, the Compeer v. NBC Claim is not a claim for which any of the Defendants are jointly responsible, and is based on a different and somewhat speculative legal basis.
20. The Defendants deny that they participated in any fraudulent scheme as alleged. Further, or in the alternative, the Defendants state that to the extent that there was any such scheme as alleged or at all, which is denied, that both NBC and Compeer were knowing participants and cooperated in the scheme. At all material times hereto both NBC and Compeer consented to and/or tacitly or expressly endorsed the actions of the Defendants, or any of them. Specifically, both NBC and Compeer knew about and authorized the financial practices of the Defendants including any intercompany loans or transfers.
21. In specific response to paragraphs 3, 116-118 and 123 of the Statement of Claim, the Defendants say that:
 - (a) for the avoidance of doubt, and contrary to paragraph 123 of the Statement of Claim none of them have granted or owe any indemnity to NBC, express or implied, pursuant to contract;
 - (b) none of them are legally and or equitably obligated to indemnify NBC as a result of the relationship existing between them, together or separately, with NBC and/or as a result of any conduct of the Defendants or any of them, or otherwise ("**Implied Duty to Indemnify**");
 - (c) in the alternative that any of them owe an Implied Duty to Indemnify NBC in relation to any loss of damages arising from the Compeer v. NBC claim, which is denied, they have not breached that duty;

- (d) in addition, none of the Defendants owe or owed any duties to Compeer on any basis whatsoever;
 - (e) in the alternative, if any of the Defendants did owe a duty or any duties to Compeer, or otherwise have a liability to Compeer, they are different to any basis for liability of NBC to Compeer, which is also on a somewhat speculative legal basis, and further those Defendants have not breached any such duty or duties or any obligations in respect of Compeer.
22. In specific response to paragraph 4, 116-119 and 124 to 125 of the Statement of Claim, if NBC are so liable to Compeer, any damages suffered by NBC do not arise from breaches of duties or obligations by any of the Defendants and none of the Defendants owe damages to NBC by way of indemnity and/or contribution in respect of any NBC liability to Compeer, because:
- (a) damages alleged to be caused to Compeer for which NBC are liable are more properly attributable to the actions of NBC, not to any of the Defendants, and were taken by NBC on its own initiative and not as a result of any actions of the Defendants or any of them;
 - (b) none of the Defendants are independently liable to Compeer;
 - (c) in the alternative any liability of NBC to Compeer is not connected to any liability of the Defendants, or any of them, which is denied, to Compeer;
 - (d) there is no community of interest between NBC and the Defendants, or any of them, in respect of the Compeer v. NBC Claims;
 - (e) NBC by its actions is not an innocent party in respect of any losses suffered by Compeer which Compeer claims or may claim against NBC;
 - (f) further, the Compeer v. NBC Claim is not a claim for which any of the Defendants are jointly responsible with NBC, and is based on a different and somewhat speculative legal basis; and
 - (g) NBC has no legal or equitable right to reimbursement from the Defendants, or any of them, for any loss or damages that may be suffered by NBC in relation to the Compeer v. NBC Claims.
23. In specific response to paragraph 4 of the Statement of Claim, the Corporate Defendants are all incorporated pursuant to the laws of the Province of Alberta, Sunterra Markets carries on business in the City of Calgary, the Defendants carry on business elsewhere, but the Defendants otherwise do not admit and deny paragraph 4.

24. In specific response to paragraph 14 and 15 of the Statement of Claim, Price denies that he is the beneficial owner of the Defendants as alleged and further states that at all times he exercised reasonable diligence when acting as an officer and director of any of the entities as alleged. Price further denies wrongful conduct and denies that he owes NBC any duty as alleged or at all.
25. In specific response to paragraphs 16 and 17 of the Statement of Claim, Uffelman states that she exercised reasonable diligence at all times including when acting as an officer, which is not admitted but denied, of any of the entities at all times. She further denies wrongful conduct and denies that she owes NBC any duty as alleged or at all.
26. In specific response to paragraph 18 of the Statement of Claim, Thompson states that he exercised reasonable diligence at all times including when acting as an officer, which is not admitted but denied, of any of the entities at all times. He further denies wrongful conduct and denies that he owes NBC any duty as alleged or at all.
27. In specific response to paragraphs 20 and 98 of the Statement of Claim, which is not admitted but denied, NBC had specialised knowledge of the banking industry and clearing house systems and of its own systems and accounts and credit facilities which the Corporate Defendants held with NBC, or ought to have had such knowledge, ("**NBC's specialised knowledge**"), and the Defendants were entitled to rely and did rely upon that NBC's specialised knowledge. In these circumstances, it was not reasonable for NBC to rely and/or NBC did not rely upon the Defendants or any of them in the manner alleged in paragraph 20 or otherwise.
28. In specific response to paragraphs 34 to 36 and 127-129 of the Statement of Claim, each of the Corporate Defendants denies that it was a guarantor of any debts, liabilities, obligations and indebtedness to NBC as alleged or at all. In the alternative, to the extent that any of them was a guarantor as alleged or at all, those Defendants claim set off pursuant to their claims against NBC, as referred to in paragraphs 7 and 8 above or otherwise.
29. In specific response to paragraph 49 of the Statement of Claim, the Defendants deny that they were engaging in a scheme that went well beyond the ordinary and expected exchange of cheques. In the alternative, to the extent that cheques were issued beyond the ordinary and expected exchange of cheques as alleged, this took place with full transparency to and with the tacit and/or express consent and knowledge and participation of both NBC and Compeer.
30. In specific response to paragraphs 55 to 67 and 125 of the Statement of Claim, the Defendants deny that any of them utilized conditional credit or float provided by NBC and/or Compeer, fraudulently or otherwise, to conduct the alleged cheque kiting scheme or otherwise. In addition, or in the alternative, the Defendants say that both NBC and Compeer knew or ought to have known about the banking practices of the Defendants or any of them and expressly and/or tacitly

consented to and facilitated and/or participated in any use by the Defendants or any of them of conditional credit or float provided by NBC and Compeer to the Defendants or any of them.

31. In specific response to paragraph 58, 63 to 65 and 90 to 94, the Defendants deny that any of them undertook any activity, including by the writing or issues of cheques, or by causing cheques to be written or so issued, to create an illusion that fresh funds were being deposited into accounts and say further that the Defendants did not and could not have knowledge of their being insufficient funds in any accounts because the accounts of the Corporate Defendants with NBC and of the US Hog Farm Entities with Compeer were in such a state of flux that any knowledge alleged to be had by the Defendants or any of them, or by the US Hog Farm Entities or any of them, was impossible to have at any one point in time.
32. Further, the fact is that Compeer's and NBC's back-office operations automatically, and without input from the Defendants, and/or their respective clearing banks, applied and/or removed, or caused to be applied or removed, funds from and between accounts and thereby varied amounts in various accounts – therefore any overdraft or default is due to their systems and processes, and not the Defendants. As well, in respect of paragraph 67 of the Statement of Claim, the Defendants specifically deny that the sub \$1 Million cheques were sent and deposited for the purposes alleged, and deny that the use of cheques and deposit of cheques as alleged was for the purposes of fraud.
33. In specific response to paragraphs 62, 64, 65, 107 to 111 and the entirety of the Statement of Claim generally, the Defendants deny that the cheques at issue as referred to in the Statement of Claim were drawn at the instigation of the individual Defendants. None of the individual Defendants dominated and controlled any of the Corporate Defendants, used any of the Corporate Defendants as agents for their own purposes or used any of the Corporate Defendants as a shield for fraudulent or improper conduct. None of the individual Defendants engaged in improper conduct or fraud. Each of the Defendants acted with honest intent at all times.
34. In specific response to the allegations at paragraphs 55 - 67 and the entirety of the Statement of Claim generally, the fact is that none of the Defendants profited because of the alleged impugned conduct.
35. In specific response to paragraphs 89 to 98, 107 to 111 and 125 of the Statement of Claim the Defendants deny that they engaged in the "Kiting Scheme" as alleged or at all, and deny there was any deceit, fraud, or fraudulent misrepresentations. In the alternative, and as set out herein, the Defendants state that at all times both NBC and Compeer knew or ought to have known of the Defendant's banking practices. Further, the Defendants, and each of them, acted at all times with honest intent. Further, there was no misrepresentation, and alternatively if there was a misrepresentation, there was no reasonable reliance to the detriment of the Plaintiff.

36. In specific response to paragraphs 99 to 101 of the Statement of Claim, the Defendants deny that any of them breached any provisions of the *Bill of Exchange Act*, RSC 1985, c. B-4, at all and in the alternative say that any such breach or breaches, which are not admitted but denied, did not cause any loss or damages to NBC. In the alternative, the Defendants deny that NBC is entitled to recover any loss or damages which may have been caused, which is not admitted but denied, by any breaches by the Defendants or any of them of the *Bill of Exchanges Act*.
37. In specific response to paragraphs 102 - 105 and 120 -123 of the Statement of Claim, Sunterra Canada and Sunwold Canda deny that they are bound by the express or implied terms of the "Business Account Agreement" and/or "Commitment Letter Operational Requirements" as alleged and defined in the Statement of Claim (collective, the "**Alleged Terms**"), and in the alternative deny the alleged effect of those Alleged Terms, and in the alternative deny that they have breached any of the Alleged Terms, and in the alternative deny that any breach of any of the Alleged Terms has caused damages to NBC. In addition, Sunterra Canada and Sunwold Canada, say that any losses suffered by NBC as a result of the Compeer v. NBC Claim arise from their own actions and not from any breach of any Alleged Terms binding upon Sunterra Canada and Sunwold Canada, which is not admitted but denied.
38. In specific response to paragraph 106 of the Statement of Claim, the Defendants deny that there was any oppressive conduct, and further and in the alternative state that NBC is not a complainant in respect of any claim for damages against any of the Defendants arising out of the Compeer v. NBC Claim, within the meaning of the Alberta *Business Corporations Act*, RSC 2000, c. B-9.
39. In specific response to paragraph 107 to 108 of the Statement of Claim, none of the individual respondents induced any of the Defendants:
- (a) to commit any fraudulent acts;
 - (b) to misrepresent matters under the *Bills of Exchange Act*;
 - (c) to breach any Alleged Terms; or
 - (d) make misrepresentations of the Commitment Letter Reporting Requirements,
- all of which are not admitted, but denied. In the alternative, none of the above, all of which is not admitted but denied, caused or may cause loss or damage to NBC.
40. In specific response to paragraphs 112-115 of the Statement of Claim, the Defendants deny that there was any conspiracy. Alternatively, even if there was, which is vehemently denied, both NBC and Compeer were either a participant in, or willfully blind, to any such conspiracy.

41. In specific response to paragraphs 109 to 111 of the Statement of Claim, which are denied, in addition to the above, to the extent that the individual Defendants or any of them have or have breached any statutory or fiduciary duties owed to Sunterra Canda, Sunwold Canada and the US Hog Farm Entities, which is not admitted but denied, NBC is not entitled to claim damages from them in respect thereof (given that any such duties are not owed to NBC)
42. In specific response to paragraphs 109 to 111 of the Statement of Claim, the Defendants deny any losses as alleged but to the extent there were any losses, which is denied, state in the alternative that NBC caused their own loss by their participation in knowingly granting conditional credit or float to Sunterra, and/or caused their own loss by their own negligence.

Any matters that defeat the Plaintiff's Claim:

Waiver, Acquiescence, Laches, Estoppel

43. In reply to the Statement of Claim generally, even if the alleged facts were true, which is denied, in the alternative these facts would all have been known and consented to by NBC and Compeer for years and were not in issue. The Defendants plead and rely upon the doctrines of waiver, acquiescence, laches, and estoppel. NBC acquiesced to, facilitated and participated in, the conduct it now complains of and seeks redress for, years prior to advancing this claim. NBC waived its rights to demand strict performance with the loan agreements, the Alleged Terms, the alleged guarantees and the alleged security documents and is estopped from enforcing the express and/or implied terms thereof or seeking recovery from the Defendants.

Any alleged loss caused by National Bank of Canada

44. If damages were or are suffered by NBC in respect of the Compeer v. NBC Claim, which is denied, the damages alleged to be caused by the Defendants, or any of them, are more properly attributable to the actions of NBC and/or Compeer, not to any of the Defendants. The Defendants seek contribution and indemnity from NBC pursuant to a third-party claim that will be filed by the Defendants.

No Claim Against Ray Price, Debbie Uffelman and Craig Thompson ("Individuals")

45. At all material times hereto the Individuals were acting in the course of their employment and did not knowingly or wrongfully commit any tortious or other such act that would give rise to personal liability.
46. Further, at all material times hereto, the Individuals were acting reasonably and their conduct would be captured by the business judgement rule.
47. There is no basis or wrongful conduct that would justify piercing the corporate veil and resulting in a claim as against the Individuals who at all times acted honestly and in good faith.

48. Further, any contractual relationship between NBC and any of the Defendants was only with respect to corporate entities and no relationship existed between the Individuals and NBC. As such, the Individuals did not owe NBC any duties, contractual or otherwise and owed no duty of care.

Guarantees

49. The guarantees as alleged in the Statement of Claim ("**Guarantees**"), which are not admitted but denied, do not apply to any potential indemnity or claim for contribution by NBC, which also is not admitted but denied, without limitation for the reasons set out herein including *inter alia*;
- (a) NBC is solely or alternatively partially responsible for any claim giving rise to a potential indemnity or claim for contribution;
 - (b) NBC is precluded from relying on the Guarantees with respect to claims for which it is solely or partially responsible;
 - (c) any claims for damages or any other remedies that Compeer may have against NBC are not debts or liabilities that would be covered by the guarantees, and in addition or in the alternative are not reasonably contemplated by any of the alleged Guarantees;
 - (d) NBC has breached and/or not fulfilled its obligations under the loan agreement with the Defendants, or some of them, and/or the terms of the Guarantees and the securities as alleged in the Statement of Claim (the "**Securities**"), including without limitation, by breaching its contractual duty of good faith;
 - (e) NBC has acted prejudicially to the interests of the alleged guarantors under the Guarantees ("**Guarantors**") and/or has breached its duties to the Guarantors and the alleged providers of Securities, including, without limitation, by the harm they have caused to the businesses and assets of the Defendants as pleaded herein and in the Sunterra Statement of Claim, and in a manner sufficient to entitle the Guarantors to a full or partial release from any liability under the Guarantees;
 - (f) the Guarantors are discharged from performance, without limitation, by NBC's departure from the terms of the Guarantees as alleged; and
 - (g) the Guarantees, or some of them, are not continuing because of material changes in the terms of the loan agreements between the Defendants or some of them, as applicable, with NBC.
50. To the extent that the Guarantors may have any liability to NBC in respect of the Compeer v. NBC Claim, which is denied, they are entitled to set off as referred to herein in respect of the claims of each and all Defendants as against NBC.

Security

51. As set out herein to the extent that NBC has any claim, which is denied, such claim would be an unsecured claim because, without limitation, it is not reasonably contemplated by any security or guarantee agreement between the parties. Accordingly, there is no contractual or any other such obligation that would give rise to a security claim by NBC with respect to any liabilities arising from the Compeer v. NBC Claim.

Tracing, Accounting, Restitution and Punitive Damages

52. As set out herein the Defendants conduct did not give rise to any obligation which would attract either special, punitive or exemplary damages nor the remedy of tracing. In particular, but without limitation, the Defendants have acted in good faith throughout and as set out herein have acted at all times in cooperation with and transparency to NBC.
53. Further, all payments made by the Sunterra Entities to the Individuals were payments in the ordinary course of business and there was no wrongful conduct in relation to same. There are no tracing, accounting or any other such rights available with respect to said payments arising from the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, pursuant to section 101 or otherwise, the *Business Corporations Act*, RSA 2000, c. B-9, pursuant to sections 43 and/or 118 or otherwise, or any other legislation or common law duty, on any basis whatsoever.

Limitations

54. In the alternative, all the foregoing facts were known by NBC more than two years prior to filing the Statement of Claim and to the extent that there is loss and damage, which is denied, the Defendants alternatively plead that NBC knew or ought to have known of the facts giving rise to the within causes of action, and that such causes of action would have warranted a proceeding seeking a remedial order, more than two years prior to the filing of the within Statement of Claim, and the Defendants plead and rely on the *Alberta Limitations Act*, RSA 2000, c L-12 as a complete defence.

Set-Off

55. The actions of the NBC have caused the Defendants loss and damage, including as particularized in the Sunterra Statement of Claim. Accordingly, the Defendants plead set off.

No Indemnity

56. NBC is not entitled to any indemnity claim against or contribution from the Defendants, or any of them, for any liability to third parties. In the alternative, even if NBC was entitled to an indemnity or contribution, which is denied, there is no basis for NBC to claim against a Guarantee or to assert a security interest with respect to any such indemnity and/or claim to contribution and in any event such security interest would be void for public policy purposes.

57. Specifically, the indemnity sought by NBC is outside anything reasonably contemplated by the parties with respect to any and contractual relationship between the parties.

Remedy sought:

58. The Defendants, 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 Inc and Sunterra Enterprises Inc, Ray Price, Debbie Uffelman and Craig Thompson respectively request this Honourable Court to dismiss the within Claim with solicitor and his own client (full-indemnity) costs payable to the Defendants, and such further and other relief as this Honourable Court deems just and equitable in the circumstances.