

Clerk's Stamp:



COURT FILE NUMBER

COURT

JUDICIAL CENTRE OF

COURT OF KING'S BENCH OF ALBERTA

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.

RESPONDENT(S):

NATIONAL BANK OF CANADA.

DOCUMENT

**ORIGINATING APPLICATION**

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  
Phone: (587) 317-0643/(587) 390-7041  
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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: April 22, 2025

Time: 08:45 am

Where: Virtual Courtroom 04

Before Whom: Justice Lema

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

Basis for this Claim:

### BACKGROUND

1. All of the Applicants are private corporations incorporated in Alberta. The Applicants are members of the Sunterra Group, a diversified group of related companies ultimately owned and operated by members of the Price family, with a long and respected history in Canada ("Sunterra Group" or "Group"). The Group's operations date back over 50 years, originating from humble beginnings when Stanley Price and Florance Price established their family hog farming business on a farm in Acme, Alberta. Over the ensuing decades, that business evolved into a fully multifaceted farm to market enterprise encompassing a wide range of operations, assets and intercompany arrangements. Today, the Group's operations extend across multiple sectors of the agricultural and food distribution industries, and its businesses benefit from longstanding relationships with third-party vendors, service providers, and a dedicated workforce.
2. The Group's business model allows production and processing operations to provide specialty meat and produce to international markets and also directly to its retail outlets. Such integration affords stringent quality control, enhanced operational efficiencies, and the consistent maintenance of premium product standards. In addition, Sunterra Markets benefits from its longstanding relationships with a network of third-party vendors who supply supplementary food products, beverages, and ancillary services, and the farming businesses benefit from long term supplier relationships such as for livestock feed. This strategic integration together with valuable supplier relationships, reinforces the Group's prominent market position within the high-end retail food sector and hog breeding businesses.
3. The Group's sustained operations for over 50 years exemplifies its resilience and robust market presence. Over time, the Price family has built and maintained significant goodwill with suppliers, employees, and customers alike, cultivating a brand that is synonymous with high quality and reliability. This reputable standing has enabled the Group to negotiate favourable credit terms and secure significant equity across its operations, contributing to its ability to weather challenging economic periods.

4. Five of the Applicants, namely Sunterra Farms Ltd ("Sunterra Farms"), Sunwold Farms Limited ("Sunwold Farms"), Trochu, Sunterra Quality Food Markets Inc ("Sunterra Markets") and Sunterra Food Corporation (as defined below) (the "BIA Applicants"), are currently under the protection of a Notice of Intention to Make a Proposal, pursuant to Subsection 50.4 (1) of the Bankruptcy and Insolvency Act, R.S.C.1985, c. B-3 (the "BIA"). The BIA Applicants have not filed a proposal under the BIA and wish to convert to protection under the CCAA to better allow them to continue their businesses as going concerns and to otherwise better fulfil the objectives of insolvency regimes in conjunction with the remaining Applicants.

5. The Applicants owe NBC in excess of \$5,000,000.00 which they cannot pay at present and are therefore seeking the relief sought herein pursuant to the CCAA.

## OVERVIEW

6. On March 14, 2025, following a period of dispute with NBC regarding the freezing of accounts held by the Applicants with the Bank, NBC issued a Demand for Repayment within 15 business days and Notices of Intention to enforce and to realize security pursuant to section 244 of the BIA and section 21 of the Farm Debt Mediation Act S.C. 1997, c. 21 respectively ("Demand and Notice of Intention to Enforce Security"), against the NBC Borrowers (as defined below) and also against Sunterra Beef Ltd., Lariagra Farms Ltd. ("Lariagra"), Sunterra Farm Enterprises Ltd., Sunterra Enterprises Inc, Sunterra Farms Iowa Inc ("Sunterra Farms Iowa") and Sunwold Farms Inc ("Sunwold Farms US") as alleged guarantors (the "Alleged Guarantors"). Sunterra Farms Iowa and Sunwold Farms US (together, the "US Hog Farm Entities") are members of the Sunterra Group and are registered corporate entities in the U.S.. They are not parties to these proceedings.

7. The commencement of these CCAA proceedings is in the best interests of the Applicants, their lenders, and the broader community of stakeholders. Those stakeholders include creditors, employees, related companies, the ultimate shareholders of the Group (including the Applicants), and the broader communities served or sustained by the Sunterra Group and its activities. The protection and relief provided by the Stay of Proceedings will offer the necessary support and time for the Applicants to work with their professional advisors and the Monitor in directing cash flows for prompt repayment of the NBC debt while implementing a re-financing, orderly sale and/or restructuring strategy. This strategy is designed to best ensure lender repayment, orderly asset management and restructuring, continuation of the businesses of the Applicants and thereby the continuing provision of employment and quality products and services to the communities they serve, and maximization of value for the balance of interested stakeholders.

## THE BUSINESS OF THE APPLICANTS

8. The Applicants and their businesses are as described in summary below.

9. Sunterra Quality Food Markets Inc owns and operates the high-end, European style retail food markets for the Group, that combine proprietary and third-party supplied premium food and beverage products.

10. Sunterra Farms and Sunwold Farms run hog farming businesses in Alberta (the "Canadian Hog Farms"). They own sow who give birth to piglets in Canada, which are then sold as piglets to the US Hog Farm Entities.



11. Trochu owns property in Trochu, Alberta where the plant and equipment was the subject of a fire incident on June 17, 2024. It previously carried on a meat processing business, but has not done so since the fire incident. The liability of the insurer of the Property has been engaged and is not disputed. Payments have been made by the insurer to Trochu pursuant to the policy, which funds have been paid to the Bank and/or otherwise applied by Trochu with the consent of the Bank. The final payout amount from the insurer has been agreed and settled, and is expected to be received within 28 days (see paragraph x below).
12. Sunterra Food Corporation is the holding company of Trochu and Sunterra Markets and does not carry on any business of its own.
13. Sunterra Beef does not currently carry on any business of its own.
14. Lariagra Farms owns various parcels of land which are secured by a lender to Sunwold Farms and Sunterra Farms.
15. Sunterra Farm Enterprises is the holding company of Sunterra Farms and Sunwold Farms.
16. Sunterra Enterprises is the holding company of Sunterra Beef, Sunwold Farms Iowa and Sunwold Farms US (as referred to below).
17. In addition to its base in Alberta, the Sunterra Group also owns hog farming businesses in the U.S., through Sunwold Farms US, Sunterra Farms Iowa and Lariagra Farms Inc ("Lariagra US"). These U.S. entities are not parties to this proceeding. See further at paragraphs ... below.
18. Sunterra Food Corporation, Trochu., Sunterra Markets, Sunterra Farms and Sunwold Farms are each borrowers pursuant to a loan agreement with the Respondent (the "Bank" or "NBC") (see paragraph .. below).

#### EVENTS PRECEDING CCAA APPLICATION

19. Account freezing
20. On or around 10 February 2025, the US lender to Sunterra Farms Iowa and Sunwold Farms US, Compeer Financial, PCA ("Compeer") made inquiries with Sunterra about a number high-value USD cheques going between the US Hog Farm entities and their respective Canadian Hog Farm entities on a daily basis ("Compeer's Inquiries"). On the same day, Compeer acted to freeze all cheques issuing from the US Hog Farms (whose accounts were held with Compeer) to the Canadian Hog Farms (whose accounts were held with NBC) ("Compeer Account Freezing"). As a result, the accounts of the Canadian Hog Farms in respect of Loan Segment 1 went temporarily above the approved borrowing limit, creating a transient event of default under the 2022 Loan Agreement (the "Transient Default").
21. NBC started freezing cheques issued by the Canadian Hog Farms to the US Hog Farms on or around February 12, 2025 ("NBC Freezing Action"). Sunterra stopped the Cash Flow Transfers in response to Compeer's Inquiries, and thereafter made substantial deposits into the accounts of the Canadian Hog Farms with NBC to bring the balance back within the borrowing limit. As a result, the Transient Default was cured within 5 business days (the "Transient Default").



## NOTICE AND URGENCY

22. As a result of the actions of NBC, in particular the NBC Freezing Action, the Demand calling for immediate repayment of the NBC Loan and the threatened and actual enforcement action by NBC, the Applicants are facing a short term liquidity crisis and the potential for long term harm to the business of the Sunterra group, and Sunterra Markets in particular.

23. Without immediate relief, including a stay of enforcement actions, the Applicants will be forced to deal with:

- (a) continuing enforcement actions by NBC at considerable time and expense, distracting from their efforts to continue their businesses as going concerns and to obtain alternative financing from which to pay out the NBC Loan (as amended); and
- (b) ongoing disruption to its businesses by the approach of NBC in continuing its blanket freezing orders, causing huge amounts of stress and harm to the Sunterra businesses, and in particular Sunterra markets, and significant extra resources to work with FTI 9as agent for NBC) to seek approval of every cheque written for the purposes of its business on a daily basis..

24. These matters will all impact negatively on the welfare of the Applicants' employees, not only in delayed payroll and healthcare benefit payments, but the stress arising from the uncertainty and also potentially the loss of job arising from the disruptions to the Sunterra Markets business in particular.

25. They are and will continue to impact on the business of Sunterra Markets as a going concern, which actually forms significant part of the collateral protecting not only NBC's interests under the 2022 Loan Agreement, but also the interests of other creditors, including in particular FCC.

## RELIEF SOUGHT IN THE INITIAL ORDERS

26. After extensive review and careful consideration of the strategic options and alternatives available, and with the assistance of financial and legal advisors, the Board of each of the Applicants has determined that in the circumstances it is in the best interests of the Applicants and their stakeholders to seek urgent relief under the CCAA.

27. The Applicants believe that these CCAA proceedings present the only viable means of protecting their businesses and employees, preserving and maximizing value for their stakeholders and providing the stability and liquidity necessary to complete re-financing of the NBC Loan, and any sale and/or restructuring as may be required, to allow the Applicants to return to a position of ongoing liquidity, the lenders to realize their returns and to protect the best interests of all other stakeholders, including the employees.

28. While the Applicants intend to pursue and implement one or more refinancing or restructuring transactions pursuant to the provisions of the CCAA proceedings, the relief sought under the proposed Initial Order is limited to that which is reasonably necessary for the continued operation of the Business during the initial limited Stay of Proceedings. Such relief is discussed below.

### Stay of proceedings

29. While the calling in of the NBC Loan by the demand currently poses an immediate short term liquidity problem, the available cash assets and underlying net equity in the collateral for the NBC Loan and FCC Loan is such that the repayment of the NBC Loan debt in its entirety can be effected in the short

to medium term with minimal re-financing. Paying out the NBC Loan and by exercise of the Applicants' equity of redemption, will in itself provide further stability to the businesses and financial position of the Applicants, giving reassurance to FCC as second priority lender over most of the assets.

30. The proposed Stay of Proceedings will preserve the status quo and afford the Applicants the space and stability that they need in order to advance their refinancing and restructuring efforts, in consultation with the Financial Advisors, including seeking approval of a DIP Facility if required. This will allow NBC to realize all of their lending assets more effectively and efficiently, while at the same time protecting the interests of other stakeholders.

31. The proposed Stay of Proceedings will also allow the Applicants to continue to operate their businesses, providing goods and services to the community in Alberta, giving business to their suppliers and continuing employment for their employees.

32. The Applicants therefore seek the proposed Initial Orders providing for a Stay of Proceedings for the Initial Stay Period of not more than 10 days. The Applicants then anticipate seeking an extension of the Stay of Proceedings beyond the Initial Stay Period at the Comeback Hearing.

#### Monitor

33. The proposed Initial Order contemplates that Harris & Partners Inc. will act as the Monitor in these CCAA proceedings. The Proposed Monitor is a "trustee" within the meaning of subsection 2(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended, and that she is not otherwise precluded from acting as the Monitor under subsection 11.7(2) of the CCAA.

34. The Proposed Monitor has consented to act as the Monitor in these CCAA proceedings pursuant to the terms of the proposed Initial Order, if granted.

35. A Court supervised Monitor under orders as sought, and under court supervision, will be able to more effectively allow the Applicants' businesses, in particular Sunterra Markets, to continue as going concerns, without the harm currently being imposed by the NBC Freezing Actions, while at the same time ensuring that the Cash Flow Transfers with which the NBC was concerned do not happen again.

#### Cash Flow Forecast

36. With the assistance of its financial advisors, Hawco Peters and Associates Inc. as a financial advisor to the Applicants (the "Financial Advisor"), the Applicants have conducted a cash flow analysis to determine the amount required to finance their ordinary course business operations, assuming the Initial Order is granted, over a 19 week period from the week March 22, 2025 to August 1, 2025, including the Initial Stay Period (the "Cash Flow Forecast").

37. The Cash Flow Forecast demonstrates that the Applicants will, subject to obtaining the Initial Order and relief sought at the Comeback Hearing and without any further injection of funds, have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings through the end of the Initial Stay Period and beyond the Initial Stay period to the week offending August 1, 2025.

38. The Cash Flow Forecast, which is accompanied by the representations prescribed under the CCAA, will be attached to the pre-filing report of the Proposed Monitor. If appointed, the Applicants anticipate that the Monitor will report to the Court on any variances between the Cash Flow Forecast and the Applicants' actual results during these CCAA proceedings.

## DIP Lending

39. While under the Cash Flow Forecast, further cash injections from a debtor-in-possession credit facility ("DIP Facility") will not be required to continue the businesses operations of the Applicants, the Applicants and their advisors are currently in discussions with various third party lenders regarding obtaining DIP Funding should the orders been extended after the Comeback hearing and if it is deemed necessary to supplement any unanticipated shortfalls in cash flow.

## Priority of Administrative Charge

40. The Initial Order provides that the Administration Charge will form a charge over the Property that stands in priority to all other security interests, trust, liens, and charges and encumbrances. The charge sought is for the sum of \$200,000.00, to stand as security for fees owed to the Proposed Monitor, its counsel, counsel to the Applicants' and the Applicant's financial advisor, whether incurred prior to, or after, the Initial Order.

41. At the Comeback Hearing, the Applicants intend to seek an increase to the quantum of the Administration Charge and the granting of the Directors and Officers Charge (collectively with the Administration Charge, the "Charges").

42. The Charges being sought are intended to be secured against all of the assets of the Applicants.

## CONCLUSION

43. The relief sought under the proposed Initial Order is critical to preserving the ongoing operations and long-term value of the Applicants. Without the requested relief—including a Stay of Proceedings—the Applicants would be subjected to the enforcement actions of NBC and its continuing disruption to the businesses of the Applicants by the unfettered NBC Freezing Actions and other bad behaviour. This could cause long term damage to the businesses of the Applicants, loss and harm to their employees and detriment to other stakeholders, including FCC as creditor. Protection of the significant equity in the assets of the Applicants in the interests of shareholders is also at stake.

44. The Applicants have significant cash assets which along with some minor re-financing and/or sale of assets will be sufficient to allow NBC to realize its loan asset and the Applicants to redeem their equity in the collateral held by NBC, for the benefit of other stakeholders.

45. For the reasons stated above, the relief sought under the proposed Initial Order is both fair and reasonable, ensuring that the Applicants can continue their operations in a stable, transparent environment under Court supervision while we address the current liquidity challenges—thereby avoiding the disruptive and value-destructive consequences of piecemeal asset liquidation.

## Remedy sought:

46. An initial order substantially in the form of the draft order attached a Schedule 2 of this application pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") (including a blackline from the template form of Order attached as Schedule 3 of this application) which provides for the following relief:

- (a) extending the time for service of the notice of application for this order (the "Order") is hereby abridged and deemed good and sufficient [if applicable] and this application is properly returnable today;



- (b) declaring that the Applicants are entities to which the CCAA applies.
- (c) a stay of all proceedings, demands, notices, remedies, and enforcement processes (collectively, "Proceedings") currently in effect or that may be initiated in respect of the Applicants or any of their subsidiaries, affiliates, directors, officers, employees, or representatives, or affecting their current and future undertaking, property, and assets ("Property");
- (d) appointing Harris & Partners Inc. (the "Proposed Monitor") as an officer of this Court to oversee and monitor the assets, business, and affairs of the Applicants;
- (e) granting an Administration Charge of up to a maximum amount of \$200,000 over the Property to secure the fees and disbursements of the Proposed Monitor, the Proposed Monitor's counsel, the Applicants' counsel and financial advisors as required, including fees and disbursements incurred prior to the commencement of these proceedings, ranking in priority to the secured lenders;
- (f) authorizing the Applicants to continue carrying on their business in the normal course, consistent with the preservation of the value of their assets and the protection of stakeholder interests; and
- (g) leave to seek further relief before this Honourable Court on April 28, 2025.

Affidavit or other evidence to be used in support of this application:

- 47. The Affidavit of Arthur Price sworn April 15, 2025, and the exhibits thereto.
- 48. 44. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

- 49. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court.
- 50. Rules 1.3, 6.3, 6.9, 11.27 and generally the Rules of the Alberta Rules of Court.
- 51. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**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 "A"

**Virtual Courtroom 04** has been assigned for the following matter:

Date: Apr 22, 2025 08:45 AM

Style of Cause: 2501 04252 - NATIONAL BANK OF CANADA v. PRECISION LIVESTOCK  
DIAGNOSTICS LTD

Presiding Justice: LEMA, J

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom04>

Instructions for Connecting to the Meeting

1. Click on the link above or open up 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**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.



**SCHEDULE "B"**

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

COURT OF KING'S BENCH OF ALBERTA  
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

**CCAA INITIAL 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  
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Fax: (825) 414-0831  
Email Address: david.mann@bluerocklaw.com  
scott.chimuk@bluerocklaw.com  
File No. 1375-00001

DATE ON WHICH ORDER WAS  
PRONOUNCED:

NAME OF JUDGE WHO MADE THIS  
ORDER:

LOCATION OF HEARING:

\_\_\_\_\_  
\_\_\_\_\_  
Calgary, 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. (the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Arthur Price, filed; **AND UPON** reading the consent of Harris & Partners Inc. to act as Monitor; **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose or alternatively consent to the within Order **[if applicable]**; **AND UPON** hearing counsel for the Applicants; **AND UPON** reading the Pre-Filing Report of Harris & Partners Inc.; **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 **[if applicable]** and this application is properly returnable today.

#### **APPLICATION**

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") applies.

#### **PLAN OF ARRANGEMENT**

3. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

#### **POSSESSION OF PROPERTY AND OPERATIONS**

4. The Applicants shall:
  - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 7. The Applicants shall remit, in accordance with legal requirements, or pay:
  - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan,
    - (iii) Quebec Pension Plan, and
    - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
  - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.
- 8. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants, as applicable, from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
- 9. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:
  - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants, or any of them, to any of its creditors as of the date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

#### **RESTRUCTURING**

- 10. The Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:
  - (a) permanently or temporarily cease, downsize or shut down any portion of their business or operations and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicant (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
  - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
  - (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature



whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and

- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

11. The Applicants shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and
  - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

### **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

13. Until and including April 28, 2025 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Applicants to carry on any business that the Applicants, and any of them, are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants or any of them from compliance with statutory or regulatory provisions relating to health, safety or the environment.
15. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

### **NO INTERFERENCE WITH RIGHTS**

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Applicants, or any of them, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

17. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants or any of them, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants or any of them

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or any of them or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicant(s) as applicable in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

18. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants, or any of them, with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants, or any of them, whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, or any of them as



applicable, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants, as relevant, or this Court.

#### **DIRECTORS' AND OFFICERS' INDEMNIFICATION**

20. Each of the Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the respective Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

(a) is insufficient to pay amounts indemnified in accordance with paragraph [20] of this Order.

#### **APPOINTMENT OF MONITOR**

21. **Harris & Partners Inc.** is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants or any of them pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
22. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
  - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
  - (c) ;
  - (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by these proceedings;;
  - (e) advise the Applicants in their development of the Plan and any amendments to the Plan;

- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
  - (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
  - (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
  - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
  - (j) perform such other duties as are required by this Order or by this Court from time to time.
23. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.
24. The Monitor shall provide any creditor of the Applicants or any of with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant(s) is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant(s) may agree.

25. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
26. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the respective amounts of \$50,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
27. The Monitor and its legal counsel shall pass their accounts from time to time.
28. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES**

29. The priority of the Administration Charges shall be as follows:  
First – Administration Charge (to the maximum amount of **\$200,000**);
30. The filing, registration or perfection of the Administration Charge (or, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
31. The Charges (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.



32. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further order of this Court.
33. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
  - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that bind the Applicants or any of them, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party;
    - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, ; and
    - (iii) the payments made by the Applicant pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### ALLOCATION

34. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

## SERVICE AND NOTICE

35. The Monitor shall (i) without delay, publish in the Calgary Herald a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants or any of them of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
36. The E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: \_\_\_\_\_) shall be valid and effective service. Subject to Rules 11.25 and 11.26 this Order shall constitute an order for substituted service pursuant to Rule 11.28 of the Rules of Court. Subject to paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL \_\_\_\_\_.

## GENERAL

37. The Applicants or any of them or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
38. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
39. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants or any of them, the Business or the Property.
40. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant

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

41. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
42. Any interested party (including any of the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
43. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

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Justice of the Court of King's Bench of Alberta



**SCHEDULE "C"**

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

COURT OF KING'S BENCH OF ALBERTA  
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

**CCAA INITIAL 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:

NAME OF JUDGE WHO MADE THIS  
ORDER:

LOCATION OF HEARING:

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Calgary, Alberta

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**~~[\*NOTE: DO NOT USE THIS ORDER AS A PRECEDENT WITHOUT REVIEWING  
THE ACCOMPANYING EXPLANATORY NOTES.]~~**



UPON the application of [NAME]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. (the "ApplicantApplicants"); AND UPON having read the Originating Application, the Affidavit of ~~•~~; ~~and the Affidavit of Service of •~~ ~~[if applicable]~~, Arthur Price, filed; AND UPON reading the consent of [NAME]Harris & Partners Inc. to act as Monitor; AND UPON being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose or alternatively consent to the within Order **[if applicable]**; AND UPON hearing counsel for ~~•~~; the Applicants; AND UPON reading the Pre-Filing Report of [Monitor's Name]; Harris & Partners Inc.; **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 **[if applicable]** and this application is properly returnable today.

#### APPLICATION

2. The ~~Applicant is a company~~Applicants are companies to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") applies.

#### PLAN OF ARRANGEMENT

3. The ApplicantApplicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

#### POSSESSION OF PROPERTY AND OPERATIONS

4. The ApplicantApplicants shall:
  - (a) remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of ~~its business~~their businesses (the "**Business**") and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by ~~it~~them, with liberty to retain such further



Assistants as ~~it deem~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; ~~and,~~

~~(d) — be entitled to continue to utilize the central cash management system currently in place as described in the Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the “Cash Management System”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.) [See Explanatory Note]~~

5. To the extent permitted by law, the ApplicantApplicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
6. Except as otherwise provided to the contrary herein, the ApplicantApplicants shall be entitled but not required to pay all reasonable expenses incurred by the ApplicantApplicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the ApplicantApplicants following the date of this Order.



7. The ~~Applicant~~Applicants shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan,
    - (iii) Quebec Pension Plan, and
    - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
  - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
  - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.
8. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the ~~Applicant~~Applicants, as applicable, from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
9. Except as specifically permitted in this Order, the ~~Applicant is~~Applicants are hereby directed, until further order of this Court:



- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants, or any of them, to any of its creditors as of the date of this Order;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## RESTRUCTURING

10. The ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA ~~[and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph [33]),]~~ have the right to:

- (a) permanently or temporarily cease, downsize or shut down any portion of ~~its~~their business or operations and to dispose of redundant or non-material assets not exceeding ~~[\$]500,000~~ in any one transaction or ~~[\$]2,000,000~~ in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicant (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
- (b) terminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate on such terms as may be agreed upon between the ~~Applicant~~Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the ~~Applicant deems~~Applicants deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

11. The ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the ~~Applicant's~~Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain



on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ApplicantApplicants, or by further order of this Court upon application by the ApplicantApplicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaimsApplicants disclaim or resiliatesresiliate the lease governing such leased premises in accordance with section 32 of the CCAA, itthey shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant'sApplicants' claim to the fixtures in dispute.

12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
- (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ApplicantApplicants and the Monitor 24 hours' prior written notice; and
  - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ApplicantApplicants in respect of such lease or leased premises and such landlord shall be entitled to notify the ApplicantApplicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### NO PROCEEDINGS AGAINSTAGA INST THE APPLICANT OR THE PROPERTY

13. Until and including [DATE — MAX. 30 DAYS], April 28, 2025 or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the ApplicantApplicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the ApplicantApplicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

#### NO EXERCISE OF RIGHTS OR REMEDIES

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the ApplicantApplicants or the Monitor, or affecting the Business or the Property, are hereby



stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the ~~Applicant~~Applicants to carry on any business that the ~~Applicant is~~Applicants, and any of them, are not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
- (c) prevent the filing of any registration to preserve or perfect a security interest;
- (d) prevent the registration of a claim for lien; or
- (e) exempt the ~~Applicant~~Applicants or any of them from compliance with statutory or regulatory provisions relating to health, safety or the environment.

15. Nothing in this Order shall prevent any party from taking an action against the ~~Applicant~~Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~Applicants, or any of them, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

#### CONTINUATION OF SERVICES

17. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the ~~Applicant~~Applicants or any of them, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the ~~Applicant~~Applicants or any of them

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the ~~Applicant~~Applicants or any of them or exercising any other remedy provided under such



agreements or arrangements. The ~~Applicant~~Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicant(s) as applicable in accordance with the payment practices of the ~~Applicant~~Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Applicants and the Monitor, or as may be ordered by this Court.

#### NON-DEROGATION OF RIGHTS

18. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants.

#### PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph ~~[15]~~ of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants, or any of them, with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the ~~Applicant~~Applicants, or any of them, whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, or any of them as applicable, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants, as relevant, or this Court.

#### DIRECTORS' AND OFFICERS' INDEMNIFICATION ~~AND CHARGE~~

20. ~~The Applicant~~Each of the Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the respective Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
21. ~~The directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of [\$], as security for the indemnity provided in paragraph [20] of this Order. The Directors' Charge shall have the priority set out in paragraphs [37] and [39] herein.~~



~~22. Notwithstanding any language in any applicable insurance policy to the contrary:~~

~~(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and~~

~~(b)(a) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [20] of this Order.~~

#### APPOINTMENT OF MONITOR

23.21. [MONITOR'S NAME] Harris & Partners Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the ApplicantApplicants with the powers and obligations set out in the CCAA or set forth herein and that the ApplicantApplicants and its~~their~~ shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ApplicantApplicants or any of them pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

(a) monitor the Applicant'sApplicants' receipts and disbursements, Business and dealings with the Property;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the ApplicantApplicants;

~~(c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the Interim Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;~~

~~(c) \_\_\_\_\_;~~

(d) advise the ApplicantApplicants in its~~their~~ preparation of the Applicant'sApplicants' cash flow statements and reporting required by ~~the Interim Lender, which information shall be~~



~~reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the Interim Lender; these proceedings::~~

- (e) advise the ~~Applicant~~Applicants in ~~its~~their development of the Plan and any amendments to the Plan;
- (f) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the ~~Applicant~~Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the ~~Applicant~~Applicants or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

25-23. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

26-24. The Monitor shall provide any creditor of the ~~Applicant and the Interim Lender~~Applicants or any of with information provided by the ~~Applicant~~Applicants in response to reasonable requests for



information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant(s) is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant(s) may agree.

27-25. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28-26. The Monitor, counsel to the Monitor, and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~Applicants on a ~~[TIME INTERVAL]~~weekly basis and, in addition, the ~~Applicant is~~Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the ~~Applicant~~Applicants, retainers in the respective ~~amount[s]~~amounts of ~~\$●~~\$50,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29-27. The Monitor and its legal counsel shall pass their accounts from time to time.

30-28. The Monitor, counsel to the Monitor, if any, and the ~~Applicant's~~Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of ~~[\$]~~\$200,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{37}~~ and ~~{39}~~ hereof.

### **INTERIM FINANCING**

~~31. The Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [INTERIM LENDER'S NAME] (the "Interim Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that~~



~~borrowings under such credit facility shall not exceed **[\$]** unless permitted by further order of this Court.~~

- ~~32. Such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the Interim Lender dated as of **[DATE]** (the "**Commitment Letter**"), filed.~~
- ~~33. The Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~
- ~~34. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property to secure all obligations under the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before this the date this Order is made. **[see Explanatory Notes]** The Interim Lender's Charge shall have the priority set out in paragraphs **[37]** and **[39]** hereof.~~
- ~~35. Notwithstanding any other provision of this Order:
  - ~~(a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;~~
  - ~~(b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon **[●]** days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the Interim Lender to the Applicant against the obligations of the Applicant to the Interim Lender under the Commitment Letter, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy~~~~



~~order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~

~~(c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

~~36. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

## VALIDITY AND PRIORITY OF CHARGES

~~37-29.~~ The ~~priorities~~priority of the ~~Directors' Charge~~, the Administration ~~Charge~~ and the Interim Lender's Charge, as among them, shall ~~Charges~~shall be as follows:

First – Administration Charge (to the maximum amount of ~~[\$]);~~\$200,000);

~~Second – Interim Lender's Charge; and~~

~~Third – Directors' Charge (to the maximum amount of [\$]).~~

~~38-30.~~ The filing, registration or perfection of ~~the Directors' Charge~~, the Administration Charge ~~(or the Interim Lender's Charge (collectively,~~ the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

~~39-31.~~ ~~Each of the Directors' Charge, the Administration Charge, and the Interim Lender's Charge~~ The Charges (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person. ~~[See Explanatory Notes.]~~

~~40-32.~~ Except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the Interim Lender's Charge~~Charges, unless the ~~Applicant~~Applicants also obtains the prior written consent of the Monitor, ~~the Interim Lender~~, and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~Charges, or further order of this Court.



41.33. ~~The Directors' Charge, the Administration Charge, [the Commitment Letter, the Definitive Documents,] and the Interim Lender's Charge shall~~The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") ~~and/or the Interim Lender thereunder~~ shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") that ~~binds~~bind the ~~Applicant~~Applicants or any of them, and notwithstanding any provision to the contrary in any Agreement:
  - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof ~~[, including the Commitment Letter or the Definitive Documents,]~~ shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party;
  - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, ~~[the Applicant entering into the Commitment Letter,] or the execution, delivery or performance of the Definitive Documents;~~ and
  - (iii) the payments made by the Applicant pursuant to this Order, ~~[including the Commitment Letter or the Definitive Documents,]~~ and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### ALLOCATION

42.34. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the ~~Administration Charge, the Interim Lender's Charge, and the Directors' Charge~~Charges amongst the various assets comprising the Property.



## SERVICE AND NOTICE

43-35. The Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Calgary Herald a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~ Applicants or any of them of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

44-36. The E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: ~~{●}~~ \_\_\_\_\_) shall be valid and effective service. Subject to Rules 11.25 and 11.26 this Order shall constitute an order for substituted service pursuant to Rule 11.28 of the Rules of Court. Subject to paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL ~~{●}~~ \_\_\_\_\_.

## GENERAL

45-37. The ~~Applicant~~ Applicants or any of them or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

46-38. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

47-39. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the ~~Applicant~~ Applicants or any of them, the Business or the Property.

48-40. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the ~~Applicant~~ Applicants, the Monitor and their respective 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



ApplicantApplicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ApplicantApplicants and the Monitor and their respective agents in carrying out the terms of this Order.

49.41. Each of the ApplicantApplicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

50.42. Any interested party (including any of the ApplicantApplicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

51.43. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

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Justice of the Court of King's Bench of Alberta