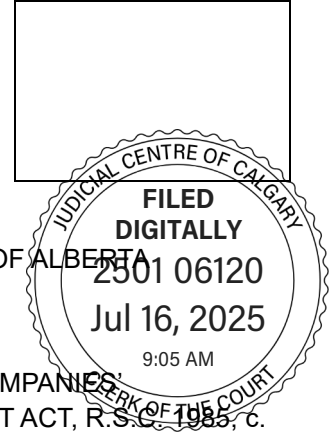


Clerk's Stamp:



COURT FILE NUMBER

2501-06120

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE OF

CALGARY

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

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

APPLICANT(S):

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

DOCUMENT

APPLICATION FOR CLAIMS PROCEDURE ORDER
and APPROVAL AND VESTING ORDER

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

NOTICE TO THE RESPONDENT(S)

This application is made against you.

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

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

Date: July 24, 2025

Time: [INSERT TIME]

Where: Virtual Courtroom [INSERT]

Before Whom: The Honourable Justice M.J. Lema

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

Remedy claimed or sought:

1. An Order substantially in the form attached at Schedule 1 to this Application (the “**Claims Procedure Order**”), among other things:
 - a. Approving a claims process (the “**Claims Process**”) for the identification, quantification, and resolution of Claims, wherever situated, including in Canada and the United States of America, as against the Applicants (collectively, the “**Sunterra Group**”), including Claims asserted against their current and former directors and officers (the “**D&O Claims**”);
 - b. Authorizing the Sunterra Group and the Monitor to perform their respective obligations under the Claims Procedure Order;
 - c. Establishing the Claims Bar Date and the Restructuring Period Claims Bar Date;
 - d. Establishing the process for the adjudication of the claims of Compeer Financial, PCA (“**Compeer**”) and National Bank of Canada (“**NBC**”);
 - e. Extending the Stay Period to and including November 30, 2025; and
 - f. Granting such further and other relief as this Honourable Court may deem just.
2. An Order substantially in the form attached at Schedule 2 to this Application (the “**Vesting Order**”), among other things:
 - a. Approving the sale of two quarters of land in Dorthy, Alberta; legal described as NW1/4 -4-16-27-16 W4M and SW1/4 -16-27-16 W4M (collectively, the “**Lands**”); and

- b. Granting such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

3. On March 24, 2025, Sunterra Farms Ltd., Sunterra Food Corporation, Sunterra Quality Food Markets Inc., Sunwold Farms Limited and Trochu Meat Processors Ltd. each filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended.
4. On April 22, 2025 (the “**Filing Date**”), the Applicants, being the companies that comprise the Sunterra Group, were granted protection under *the Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Initial Order (the “**Initial Order**”) of this Honourable Court. The protections provided by the Initial Order—including the stay of proceedings and related benefits—extend to each entity within the Group.
5. On April 28, 2025, the Court granted an Amended and Restated Initial Order which, among other things:
 - a. extended the Stay Period and all associated protective remedies;
 - b. increased the Administration Charge and the Directors’ Charge; and
 - c. expanded the pre-filing payment authorizations, all in support of the Sunterra Group’s proactive restructuring efforts and its plan to emerge from these proceedings as a financially viable and operationally robust business.
6. Since the granting of the Initial Order, and in close consultation with the Monitor and its professional advisors, the Sunterra Group has been working diligently to stabilize its cash flow, restructure its operations, and preserve the value of its estate.
7. Throughout these proceedings, the Applicants have maintained open and proactive communication with all key stakeholders—including creditors, employees, suppliers, and landlords—to ensure that the Sunterra Group continues to operate as a going concern. These restructuring efforts underscore the Sunterra Group’s commitment to emerging from its current challenges with a stronger, more resilient business model for the future.

Claims Process

8. The Sunterra Group, in consultation with the Monitor, has developed a proposed claims process (the “**Claims Process**”) to govern the filing, review, and determination of Claims against the Sunterra Group. This Claims Process covers Claims from creditors—including intercompany Claims—as well as any Claims against the current and former directors and officers (the “**D&O Claims**”).

9. The Claims Process incorporates a proposed Claims Bar Date and a Restructuring Period Claims Bar Date. The proposed Claims Bar Date is set for 5:00 p.m. on September 4, 2025, and the Restructuring Period Claims Bar Date shall be the later of:
 - a. September 4, 2025; or
 - b. 30 days after the date on which the Monitor sends a General Claims Package with respect to a Restructuring Period Claim or Restructuring Period D&O Claim.

These dates have been selected in consultation with the Monitor to ensure a practical timeframe for all parties.

10. The proposed Claims Bar Date and the Restructuring Period Claims Bar Date are deemed reasonable, as they provide ample time for potential Claimants to evaluate any Claim they may have against the Sunterra Group or their directors and officers before submission.
11. In instances where the assessment of a Claim is in dispute and cannot be resolved consensually by a Claimant, the proposed Claims Procedure Order grants the Sunterra Group, in coordination with the Monitor, the discretion to decide whether such a disputed Claim should be adjudicated by the Court.
12. Furthermore, the proposed Claims Procedure Order requires the Monitor to prepare a comprehensive report detailing its review of all Intercompany Claims identified during its investigations. This report will assess both the amount and the characterization of such Claims and include recommendations on any next steps to be taken with respect to these Intercompany Claims.
13. Overall, the Claims Process is designed to be fair, efficient, and reasonable for the filing and determination of Claims against the Sunterra Group and D&O Claims, tailored specifically to the circumstances of these CCAA proceedings.
14. The proposed Claims Procedure Order ensures that all Persons holding or seeking to assert a Claim against the Sunterra Group receive timely and effective notice of the Claims Process.
15. The Monitor fully supports the proposed Claims Process and the associated Claims Procedure Order.

Claims Process – Compeer and NBC

16. Compeer and the Sunterra Group have agreed upon a comprehensive procedural framework that will allow Compeer's application for declaratory relief and summary judgment to proceed in an orderly and expeditious manner within the CCAA context. Approval of the proposed Compeer Consent Order, which is attached as Schedule 3, will:

- a. formalise the Litigation Plan,
 - b. fix mandatory deadlines for pleadings, examinations, undertaking responses and briefs, and
 - c. permit any party to seek the Court's assistance or a variation of the timetable on seven (7) days' notice.
17. The Sunterra Group has made a proposal to NBC regarding the resolution of NBC's claims against the Sunterra Group, the framework of which is attached as Schedule 4. NBC has not agreed to such a process but dialogue continues between NBC, the Sunterra Group, and the Monitor with a view towards finding a process that is agreeable to the parties.
18. It remains a top priority of the Sunterra Group to find, and then advance, a process to resolve the claims of Compeer and NBC within the overall restructuring timeline, minimize duplication of effort, and ensure that all stakeholders' rights are adjudicated fairly and efficiently under this Court's supervision.

Stay Period

19. The Initial Order granted a Stay Period until and including April 28, 2025 (the "**Stay Period**"). The subsequent Amended and Restated Initial Order extended the Stay Period until July 31, 2025. The Applicants are now seeking to extend the Stay Period until and including November 30, 2025.
20. The Sunterra Group has acted, and continues to act, in good faith and with due diligence to stabilize and restructure their business and operations as part of these CCAA proceedings in a responsible and orderly manner. In support of their restructuring efforts, the Sunterra Group has collaborated closely with the Monitor to develop and implement an extensive communication and consultation plan with all stakeholders—including employees, landlords, suppliers, and vendors. In consultation with the Monitor, the Sunterra Group has actively engaged in discussions with their stakeholders as these proceedings progress.
21. As detailed in the relevant affidavits, the Sunterra Group has also engaged with numerous stakeholders regarding the implementation of their restructuring strategy. This engagement has addressed matters such as the safe and efficient optimization of operational arrangements and the preparation of a solicitation process aimed at addressing capital requirements of the Sunterra Group going forward and in connection with emerging from these proceedings.. With the assistance of the Monitor, the Sunterra Group has been proactive in anticipating and resolving stakeholder concerns related to these restructuring initiatives.

22. The extension of the Stay Period is necessary and appropriate under the circumstances to allow the full implementation of the Claims Process and to enable the Sunterra Group to focus on executing their restructuring plan, with the ongoing assistance of the Monitor, for the benefit of all stakeholders. An extension of the Parent Stay is also required to provide the necessary time and breathing space for the Sunterra Group to complete the Claims Process.
23. The Sunterra Group has sufficient liquidity to carry out their restructuring plan and maintain their operations.
24. The proposed extension of the Stay Period is in the best interests of the Sunterra Group and all associated stakeholders.
25. The Monitor supports the request to extend the Stay Period.

Sale of Lands

26. The Sunterra Group, continues to work towards the monetization of certain of its non-core assets. As a first step in that series of events, the Sunterra Group, specifically Sunterra Farms Ltd, seeks the approval of the sale of the Lands.
27. The nature of the Lands are marginal agricultural and isolated. They were purposely chosen in this type of isolated location to house the high health status hog farms. The market therefore is limited to nearby farmers that would add the land to operations in the area that they already have.
28. The Lands were listed for sale on the Bode Platform that, in turn, lists properties on MLS, Zillow, and over 100 other listing sites. The Lands were listed at the beginning of 2025 and offered on the platform for 73 days. With the exception of the proposed purchaser discussed below, any statements of interest that were received were neither sufficiently high, nor unconditional.
29. The superior offers received for the Lands, as set forth as set forth in the redacted Agricultural Purchase Contracts between Sunterra Farms Ltd., as vendor, and Douglas Price and Evan Hegedys, as purchaser, were the highest received, unconditional, and remain open for acceptance subject to approval of this Court. The purchasers are related to the Sunterra Group so, as such, the proposed transaction requires approval of the Court.
30. The proposed sale of the Lands is the result of a commercially reasonable process, represents fair value for the Lands, and is otherwise fair and reasonable. The Monitor supports the proposed transaction.

Material or evidence relied on:

31. The Applicants rely on:

- a. the Affidavit of Arthur Price sworn on April 15, 2025;
- b. the Affidavit of Arthur Price sworn on July 15, 2025;
- c. the Orders in these proceedings;
- d. the Second Report of the Monitor, to be filed; and
- e. such further and other evidence as may be required and this Honourable Court may permit.

Applicable rules:

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

Applicable Acts and regulations:

- 34. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court.
- 35. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

- 36. None

How the application is proposed to be heard or considered:

- 37. By virtual hearing before the Honourable Justice M.J. Lema on July 24, 2025, as identified above.

WARNING

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

Schedule 1

Schedule 2

Schedule 3

Schedule 4