Form 10
Alberta Rules of Court, r. 3.25

COURT FILE NO. **2501-06120**

COURT **Court of King's Bench of Alberta**

JUDICIAL CENTRE **Calgary**

JUDICIAL CENTRE OF CALGARY
FILED DIGITALLY
2501 06120
Sep 29, 2025
4:29 PM
CLERK OF THE COURT

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c C-36, AS AMENDED

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

CLAIMANT **NATIONAL BANK OF CANADA**

RESPONDENTS **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., RAY PRICE, DEBBIE UFFELMAN and CRAIG THOMPSON**

DOCUMENT

AFFIDAVIT of ERIN DEPOE
AFFIRMED SEPTEMBER 29, 2025

PARTY FILING THIS DOCUMENT **NATIONAL BANK OF CANADA**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No.: 065094-580232

I, ERIN DEPOE, of Calgary, Alberta, AFFIRM AND DECLARE THAT:

I. Introduction

1. As I discuss in greater detail in this affidavit, I was employed by Canadian Western Bank ("**CWB**") and, for a brief period of time, by National Bank of Canada ("**NBC**") following its acquisition of CWB, as Assistant Vice President, Business Development. While employed by CWB, as discussed herein:

(a) I was responsible from late 2019 until September 2023 for managing certain aspects of the credit relationship between CWB and some companies within the "Sunterra Group" namely Sunterra Food Corporation ("**Sunterra Food**"), Trochu Meat Processors Ltd. ("**Trochu Meat**"), Sunterra Quality Food Markets Inc. ("**Sunterra Markets**"), Sunterra Farms Ltd. ("**Sunterra Canada**"), Sunwold Farms Limited ("**Sunwold Canada**") (collectively, the "**Borrowers**");

(b) I had passing involvement with Sunterra Beef Ltd. ("**Sunterra Beef**"), Sunterra Enterprises Inc. ("**Sunterra Enterprises**"), Sunterra Farm Enterprises Ltd. ("**Sunterra Farm Enterprises**"), and Lariagra Farms Ltd. ("**Lariagra Canada**") (collectively, the "**Guarantors**")

(the Borrowers and Guarantors collectively referred to as the "**Canadian Sunterra Entities**"); and

as such, I have personal knowledge of the matters to which I depose herein except where I state that my evidence is based on information and belief, in which case I believe the information that I provide herein to be true.

2. In July 2025 I left my employment with NBC to pursue another career opportunity at TD Bank where I am currently employed. Although I am no longer employed by NBC, I was asked by NBC to make this affidavit to address certain issues that have been raised in the evidence that has been filed in this matter by Craig Thompson ("**Thompson**"), Debbie Uffelman ("**Uffelman**") and Ray Price ("**Price**"). I was provided with, and have reviewed, affidavits sworn or affirmed by Thompson (the "**Thompson Affidavit**"), Uffelman (the "**Uffelman Affidavit**") and Price (the "**Ray Price Affidavit**") each filed September 22, 2025.

3. I was also informed of an affidavit sworn by Arthur Price, filed September 22, 2025, but I did not have any dealings with Arthur Price in my employment with CWB or NBC and, as a result, I did not think it was necessary to read Arthur Price's affidavit.

4. I was also provided with, and have reviewed, documents entitled "Claim of National Bank of Canada", filed by NBC, and "Statement of Defence", filed by the Respondents.

5. I understand that NBC's request for me to provide an affidavit in this matter was made in connection with a process established by the Court of King's Bench of Alberta in which the Court will determine whether NBC is entitled to damages, indemnity or both from the Canadian Sunterra Entities, Price, Uffelman and Thompson. I have no personal or professional interest or stake in the outcome of those issues.

II. Work at CWB

6. After graduating from the University of Calgary in 2006 with a Bachelor of Commerce degree, I joined CWB as a "Management Associate".

7. Over the next approximately 8 years, I was promoted to increasingly senior positions at CWB including Manager, Senior Manager and then, in 2014, to Assistant Vice President, Business Development which was the position I held until leaving my employment in July 2025.

8. Technically, from March 2025 until July 2025 I was employed by NBC after its acquisition of CWB. However, I was never formally on-boarded to NBC or any of its platforms. For example, I was never trained on NBC's systems, platforms or processes and I continued to report to the same people and to use CWB's systems, platforms and processes until my departure from CWB.

III. June 2019 to March 2020 – Initial Involvement with Sunterra Group

9. My involvement with the Sunterra Group commenced in or about June 2019. I had taken a maternity leave and, on my return to work, certain CWB client relationships were re-distributed to me. One of the many relationships assigned to me, on my return, was the credit relationship between CWB and the Sunterra Group.

10. The Canadian Sunterra Entities were among the approximately 15 to 20 other very active client relationships in a variety of industries that I was called upon to manage, some of which were extremely "high touch" requiring considerable management and commitment of my time.

11. Initially, from June 2019, I worked with other CWB employees to co-manage and learn about the credit relationship with the Canadian Sunterra Entities during the transitional period. By late 2019, the transition was completed and I had become the main person at CWB managing the credit relationship between CWB and some of the Canadian Sunterra Entities.

12. I am aware that the Canadian Sunterra Entities are only some of the entities within a larger group of companies that they commonly refer to as the "**Sunterra Group of Companies**" or the

"**Sunterra Group**". Although I was aware of other companies within the Sunterra Group, my knowledge was limited to the entities that I have defined above as the Canadian Sunterra Entities.

13. In using the term Canadian Sunterra Entities, I also want to be clear that I was aware of other Canadian-based entities within the broader Sunterra Group, but I had no substantive knowledge about them. For example, I was aware of a company called Precision Livestock Diagnostics Ltd., but I had no knowledge about them other than they were within the larger group.

14. Even among the Canadian Sunterra Entities, my level of knowledge differed. I was directly involved and had more knowledge of companies that I have defined as the Borrowers (Sunterra Food, Trochu Meat, Sunterra Markets, Sunterra Canada, and Sunwold Canada) because of the fact that these entities were borrowers from CWB. By contrast, my knowledge and dealings with Lariagra, Sunterra Farm Enterprises, Sunterra Enterprises and Sunterra Beef, which I have defined as the Guarantors, was very limited as these entities were only guarantors under the lending arrangements with CWB. I was also aware of the existence of Sunterra Farms Iowa, Inc. and Sunwold Farms, Inc., which I understood to be corporations formed in the United States, but I did not have any dealings with, nor knowledge about these entities or the banking arrangements, except tangentially in explanations given to me by Price and Uffelman about the overall operations of the Sunterra Group.

15. I have a general recollection that the Canadian Sunterra Entities held something in the order of 23 current bank accounts in Canadian dollars and another approximately 7 current bank accounts in US dollars at CWB in the names of the various companies among the Canadian Sunterra Entities, but I had no responsibility to oversee the operation of, vet or monitor the activities in these accounts.

16. My main interactions in my dealings with the Canadian Sunterra Entities were with Price and Uffelman. If they were away, I would also have dealings with Thompson to obtain information.

17. My interactions with Price and Uffelman were not on a daily basis. I met face-to-face with Price 2 to 3 times per year, except when I was away on maternity leave. Correspondences were more frequent during the period of time when we were renegotiating the lending arrangements between CWB and the Canadian Sunterra Entities (both as discussed below), when following for overdue reporting, when encountering cash management disruptions, and when the Canadian Sunterra Entities were under financial duress (such as in July 2023 when significant difficulties arose due to the breach of financial covenants by the Borrowers which are discussed below.)

18. My primary responsibilities in the relationship were:

(a) Leading the annual credit review to determine Canadian Sunterra Entities' compliance to loan documents, financial performance, and near-term needs;

(b) Following up for periodic reporting which Sunterra would send directly, and later upload into CWB's system called Covarity, and monitor the margin of debt coverage indicated by their reporting;

(c) A loan renewal in 2022 and new financing which funded in 2023; and

(d) Ad hoc issues as and when they arose.

19. Insofar as the annual credit reviews and periodic reporting were concerned, the Canadian Sunterra Entities were chronically late in their reporting. The quality of their reporting was very inconsistent, and sometimes required that I follow up to get corrections to the information they submitted. On these occasions, I would most often deal with Price and, if he was not available, I would seek information from Uffelman and if she was not available, I would seek information from Thompson.

20. Frequently, Sunterra's calculation of its borrowing base and covenant results could not be validated by CWB, and required restatement. Despite repeated attempts to coach on the correct calculations and information required, this pattern repeated itself throughout my involvement with the Canadian Sunterra Entities including to September 2023.

IV. March 2020 COVID 19 Pandemic

21. The Borrowers' business was seriously impacted by the COVID 19 pandemic which commenced in March 2020. It was a very stressful period from a financial point of view and, in particular, from a working capital point of view as reported to me by Price.

22. During this time, the frequency of my dealings with Price increased as the situation required constant monitoring.

V. June 2020 Request to Increase Hold Limit

23. In the midst of the COVID 19-related liquidity issues, I was contacted by Uffelman in or about June 2020 who explained to me that they were having difficulties in making a specific non-discretionary payment to government. At that time, she had been encountering difficulties with day-to-day money movement to fund and cover accounts due to the CWB systems and reliance on manual processes. In the case of this urgent remittance, access to required balances were being restricted by the existing hold limits that CWB had in place on deposited cheques; where

only the first $250,000 of any deposited cheque would be made available until expiry of the hold period. Uffelman asked what CWB could do to help.

24. As was my usual practice when Sunterra had an issue with accounts, I immediately brought in my cash management colleague Jennifer Zazuliak, who was familiar with the Sunterra Group accounts (including but not limited to the Canadian Sunterra Entities). Jennifer recommended that the best solution was to increase the hold limits.

25. As hold limits on bank accounts was not something for which I was responsible, I requested approval from the manager of the CWB branch at which the Canadian Sunterra Entities were held. An increase in their hold limit to $1,000,000 was approved and I informed Uffelman.

VI. November 2020 to January 2022 Maternity Leave

26. From about November 2020 to January 2022, I was on maternity leave from my employment duties at CWB and had no interactions with the Canadian Sunterra Entities during this time.

27. By the time of my departure for maternity leave in November 2020, the financial and cash flow issues that were reported to me by Price as arising from the COVID 19 pandemic (limited access to markets, increased costs to store product and diminished sales and revenue) had not been resolved, although there was some abatement as the result of government assistance that had then started to flow.

VII. 2022 Loan

28. On my return from maternity leave in or about January 2022, I resumed the same involvement with the Canadian Sunterra Entities Involvement as I had before this maternity leave.

29. During the 2022 annual review process, Price requested incremental financing and certain amendments to the loans. I was involved in the refinancing in terms of negotiating the term sheet and gathering information from Price and Uffelman about the Canadian Sunterra Entities (some of which were new loan parties introduced at this time). Other CWB employees, such as Al Cavanaugh, were responsible for the underwriting.

30. Although discussions and due diligence for the new financing arrangements commenced in June 2022, they were not approved internally at CWB and documented with the Canadian Sunterra Entities until late 2022 (my recollection is in November 2022). The loans did not advance until February 2023 once all required conditions precedent could be satisfied.

VIII. 2023 Cash Netting Agreement

31. Throughout my involvement with the Sunterra Group, accounts (including but not limited to Canadian Sunterra Entities) were frequently reported on CWB's daily overdraft report, which was generated every morning. Price and Uffelman explained to me that they frequently had to move money from one CWB account to another to cover shortfalls and also that they were not always able to do so on a timely basis. As explained to me by Uffelman, although collectively the Canadian Sunterra Entities had enough money, given the number of bank accounts they held, it was frequently the case that they or CWB's internal loan administration team missed moving money in a timely way resulting in overdrafts not being covered. In these cases, the overdrafts also lead to overdraft charges being incurred by the Canadian Sunterra Entities.

32. I believed these explanations and this precipitated discussions primarily with Uffelman but also Price commencing around the time of the 2022 loan refinancing about whether CWB could arrange a formal "mirror netting" of the balances in all of the Canadian Sunterra Entities. This would allow for global monitoring of balances without physically merging the Canadian Sunterra Entities' CWB accounts into one and without physically or electronically moving cash from one CWB account to another CWB account.

33. Ultimately, this resulted in approval of a cash netting arrangement in 2022 which was supposed to operate in the fashion described in the previous paragraph. The cash netting arrangement only applied to accounts held at CWB and not any other financial institutions.

34. Almost as soon as the cash netting arrangement was put into place, Uffelman expressed dissatisfaction with the system. Uffelman explained to me that the system was too restrictive as it limited her ability to self-manage the draws on the borrowing base loan. Under Uffelman's direction, the arrangement was terminated. Attached hereto and marked Exhibit 1 is the email exchange between Uffelman and me ending with her request to terminate the arrangement.

35. On the termination of the cash netting arrangement, the Canadian Sunterra Entities reverted to their former process of physically or electronically moving cash from one CWB account to another CWB account to cover shortfalls.

IX. July 2023 Enquiry

36. On July 24, 2023, I was contacted by Nicole Sy who worked within CWB's anti-money laundering ("**AML**") group regarding a particular series of cheques drawn by Sunterra Farms Iowa that Sunterra Farms had deposited. Attached hereto and marked Exhibit 2 is a copy of the email

chain that commenced with Ms. Sy's email to me (copied to others), my initial reply and our exchanges afterward.

37. Ms. Sy's initial email to me informed me that CWB's US clearing bank "have noticed that Sunterra Farms has been depositing sequential large value USD cheques drawn from Sunterra Farms Iowa. Upon review, it looks like the funds are immediately being used towards outgoing USD cheques to Compeer in the same pattern – sequential large value cheques." Ms. Sy asked me to "inquire (or if you already know) why separate cheques are issued simultaneously to/from the same entities, what dictates the amount of each cheque, purpose, etc. I have included a few of the cheque deposits below, followed by samples of outgoing cheques. Note that the amounts in do not exactly correspond to amounts out – not sure how the amounts are being distributed."

38. As shown in Exhibit 2, I responded to Ms. Sy to inform her, "Off the top of my head I don't have an explanation for the cheque activity. I reached out to Sunterra's controller to get some context however she is out of office on holiday." I was referring to Uffelman. I had tried to contact her but learned that she was out of the office on holiday. So, I instead contacted Price.

39. Attached hereto and marked Exhibit 3 is the email chain between Price and me on this issue and other issues which I will discuss below that were also coming to a head at the same time.

40. As shown in Exhibit 3:

(a) On July 24, 2023, I wrote to Price noting Uffelman's absence from the office on holiday and informed him that "CWB's US clearing bank have noticed that Sunterra Farms has been depositing sequential large value USD cheques drawn from Sunterra Farms Iowa which are immediately being used towards outgoing USD cheques to Compeer in sequential large value cheques. Could you help me understand why separate cheques are issued simultaneously to/from the same entities, what dictates the amount of each cheque and the purpose, please?"

(b) Price responded to me immediately on the other issues raised in my email (discussed below) and my inquiry to him to answer Ms. Sy. Regarding my inquiry to answer Ms. Sy, Price responded that he would contact Uffelman and Thompson to get an answer. I replied the next day including to say "If you could let me know as soon as possible with respect to the cheque activity please."

(c) The next day, July 25, 2025, Price responded to my inquiry to answer Ms. Sy to say that, "I checked on the cheques. With no U.S. operating line in Canada and no Canadian operating line in the U.S. we are trying to manage both as best we can without doing CDN to USD and USD to CDN dollar exchanges."

(d) I responded to Mr. Price's July 25, 2025, reply that "Unfortunately, we are looking for a bit more context, our US clearing bank (Fifth Third) is inquiring further. With respect to the additional information required, can you assist please: Could you help me understand why separate cheques are issued simultaneously to/from the same entities: ie. what dictates the amount of each cheque and the purpose, please?"

41. I do not recall receiving a further reply on this issue from Price or Uffelman before other issues described below had to be dealt with.

42. At this time, as shown in the email chain between Ms. Sy and me [Exhibit 2], I reported back to Ms. Sy the information that I had obtained: "With the controller out of office it's a bit difficult to get specific answers, but what Sunterra has advised is that the incoming/ outgoing pattern is driven by the fact that they do not have a USD operating line in Canada, nor a CAD operating line in the U.S., so this is how they try to manage funding ongoing operations without doing constant CDN to USD and USD to CDN F/X exchanges." As shown in the email chain between Ms. Sy and me [Exhibit 2], it was decided to report back the information that I had obtained to our US clearing bank.

43. Other serious issues were brewing at this same time that ultimately lead to the termination of my involvement with the Canadian Sunterra Entities and the transfer of responsibility to CWB's Special Accounts Management Unit ("**SAMU**"). SAMU is the unit within CWB responsible for dealing with and resolving impaired loans, loans that have gone into default and loans in respect of which there have been significant defaults in the credit terms.

X. July 2023 to August 2023 Loan Covenant Defaults

44. The "other issues" that I referenced in the previous section of this affidavit, and which are also mentioned in part in some of the email chains included in that section, arose from the fact that by July 2023, the Borrowers were significantly offside their financial covenants under the 2022 loan documents, including current ratio, cash flow coverage ratio, and debt to tangible net worth (leverage) ratio.

45. KPMG LLP ("**KPMG**") was the auditor of the consolidated financial statements that were required to be provided under the 2022 loan documents. Per the 2022 loan documents, the consolidated financial statements audited by KPMG for the fiscal year ended December 31, 2022 and individual unaudited financial statements of each of the Canadian Sunterra Entities were to

be provided to CWB within 120 days of fiscal year end. Therefore, by July 2023, they were long overdue.

46. As shown in the same email exchanges between Price and me in which I was inquiring about information to answer Ms. Sy's questions, I was also asking Mr. Price about the individual financial statements for each entity (which were not required to be audited) and the audited consolidated financial statements that were overdue. In particular, in my email to Price of July 24, 2023, [Exhibit 3], I wrote:

> Thank you for forwarding the attachments. At quick glance, I noted the following were missing:
>
> - Confirmation of Payable Status (annual requirement, form attached);
> - Officer's Compliance Certificate (required for F2022 and Q1 2023, template form attached, please include calculations and results); and
> - Consolidated statements for our group of borrowers: SFC, SQFM, Trochu, Sunwold, Sunterra Farms.

47. Price replied, "Is it okay if we combine the 5 companies listed or would you like KPMG to do it?"

48. I replied on July 25, 2023 "Ideally KPMG would provide a consolidation – they would have done the statements for all entities stand alone, correct? We are seeking a single source of information to complete our financial analysis and covenant testing." It is my recollection that draft versions of these statements were subsequently provided.

49. In the Price Affidavit, at paragraph 29, Mr. Price refers to a meeting at CWB's offices that took place on or about Thursday, July 27, 2023. Al Cavanaugh and I met with Price at CWB's offices. My notes of that meeting are attached hereto and marked Exhibit 4. From my notes and independent recollections of that meeting, little to no time was spent discussing the issues that Ms. Sy had raised and which were just one subject of the emails mentioned above. The primary purpose and substance of the meeting was to obtain a full update on each individual Canadian Sunterra Entities borrower, discussing macro environment, operations, and strategic business decisions which impacted 2022 and year-to-date 2023 results. At that meeting, Price advised that KPMG would not finalize the December 31, 2022 year-end audit until CWB had provided a waiver of the financial covenant breaches. This was a material adverse event, and therefore any request with respect to a waiver required escalation within CWB's credit risk management function.

XI. September 2023 Transfer to SAMU

50. By September 2023 the information that I was seeking from the Canadian Sunterra Entities through my emails to Price had been provided in part, but my recollection is that audited consolidated financial statements for the fiscal year ended December 31, 2022, were still not finalized. In any event, the information that was provided disclosed that the Borrowers continued to be in breach of the loan covenants. There were other issues, including that CWB had been provided with miscalculations of financial ratios by the Canadian Sunterra Entities for certain 2023 quarter-ends.

51. I engaged with CWB's senior Alberta regional leadership and a decision was made to transfer the relationship with the Canadian Sunterra Entities to SAMU in September 2023.

52. After the transfer of the relationship to SAMU, my only direct involvement with the Canadian Sunterra Entities was to continue to pursue information from the Canadian Sunterra Entities for SAMU and to transition the relationship and information that I had to SAMU.

<u>Affidavit Remotely Commissioned</u>

53. I acknowledge the solemnity of making a sworn statement/solemn declaration and acknowledge the consequences of making an untrue statement.

54. I was not physically present before the person before whom this affidavit was affirmed but was in that person's presence using video conferencing.

AFFIRMED BEFORE ME at the City of Vancouver, in the Province of BC, this 29 day of September, 2025	}	
A Notary Public in and for the Province of British Columbia	}	ERIN DEPOE

ASHLEY BOWRON
Barrister & Solicitor
McCarthy Tétrault LLP
SUITE 2400 - 745 THURLOW STREET
VANCOUVER, B.C. V6E 0C5
604-643-7973

This is Exhibit "1" referred to in the Affidavit of Erin Depoe

affirmed before me this 29th day of September, 2025.

A Notary Public in and for the Province of British Columbia

[redacted]

Internal Use

From: Debbie Uffelman <deb.uffelman@sunterra.ca>
Sent: April 04, 2023 10:42 AM
To: Erin Depoe <Erin.Depoe@cwbank.com>
Cc: Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Subject: RE: Accounts

CAUTION: This email originated from outside of CWB Financial Group.

Thanks, Erin!

Debbie

From: Erin Depoe <Erin.Depoe@cwbank.com>
Sent: Tuesday, April 4, 2023 10:38 AM
To: Debbie Uffelman <deb.uffelman@sunterra.ca>
Cc: Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Subject: Accounts

Attention: This email is from outside Sunterra. Use caution when clicking links or opening attachments. if you have any concerns, please contact VINCOVI.

Hi Debbie,

Thanks for the quick chat this morning. To confirm, the mirror netting arrangement actually is not going to be a fit for Sunterra as you won't have access to pull funds from the LOC. We will therefore be reverting the account types back to how they were previously set up. Our front line has been on the watch for O/D charges as well so we will make sure they're cleaned up.

With respect to the EFT timing, typically it has occurred late at night but this past week it occurred in the afternoon – not sure if this is the new normal going forward but we will try to find out for you.

Thanks and kind regards,
Erin

3

CWB
Canadian Western Bank

Erin Depoe
AVP, Business Development
Calgary & Central Alberta District
t. **403.268.7835** | f. **403.262.4899** | c. **403.990.9982**

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This is Exhibit "2" referred to in the Affidavit of Erin Depoe

affirmed before me this 29th day of September, 2025.

A Notary Public in and for the Province of British Columbia

[redacted]

Internal Use

From: Leslie Kajdan
Sent: July 25, 2023 3:56 PM
To: Erin Depoe ; Jennifer Zazuliak
Cc: Nicole Sy
Subject: RE: URGENT: Sunterra Farms Ltd
Sensitivity: Confidential

Thanks Erin.

Nicole, lets try to answer to the best of our ability with the below and see what 53 comes back with. Thanks.

Leslie
Director, AML, Regulatory Compliance
t. **604.443.5158** | c. **604.317.8476**

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From: Erin Depoe <Erin.Depoe@cwbank.com>
Sent: Tuesday, July 25, 2023 2:42 PM
To: Leslie Kajdan <Leslie.Kajdan@cwbank.com>; Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Cc: Nicole Sy <Nicole.Sy@cwbank.com>
Subject: RE: URGENT: Sunterra Farms Ltd
Sensitivity: Confidential

Hi Leslie and Nicole,

With the controller OOO it's a bit difficult to get specific answers, but what Sunterra has advised is that the incoming/ outgoing pattern is driven by the fact that they do not have a USD operating line in Canada, nor a CAD operating line in the U.S., so this is how they try to manage funding ongoing operations without doing constant CDN to USD and USD to CDN F/X exchanges.

Please let me know what other context (or if there are certain cheques/wire transactions we need to dig further into) is required.

Thanks and kind regards,
Erin

Erin Depoe
AVP, Business Development
Calgary & Central Alberta District
t. 403.268.7835 | f. 403.262.4899 | c. 403.990.9982

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2020

From: Leslie Kajdan <Leslie.Kajdan@cwbank.com>
Sent: July 25, 2023 3:27 PM
To: Erin Depoe <Erin.Depoe@cwbank.com>; Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Cc: Nicole Sy <Nicole.Sy@cwbank.com>
Subject: URGENT: Sunterra Farms Ltd
Importance: High
Sensitivity: Confidential

Hi Erin and Jennifer. We have our US Clearer (Fifth Third bank) awaiting the answers to these questions. We really do need to reply as they followed up with us again. Can we get some kind of answer from our client please? Thanks.

Leslie
Director, AML, Regulatory Compliance
t. 604.443.5158 | c. 604.317.8476

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From: Nicole Sy
Sent: Tuesday, July 25, 2023 10:10 AM
To: Erin Depoe <Erin.Depoe@cwbank.com>
Cc: Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Subject: RE: Sunterra Farms Ltd
Sensitivity: Confidential

Good morning!

Just wondering if there was an success in contacting the client?

-
Nicole Sy

From: Erin Depoe <Erin.Depoe@cwbank.com>
Sent: Monday, July 24, 2023 9:06 AM
To: Nicole Sy <Nicole.Sy@cwbank.com>
Cc: Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Subject: RE: Sunterra Farms Ltd
Sensitivity: Confidential

Hi Nicole,

Hope you had a good weekend. Off the top of my head I don't have an explanation for the cheque activity. I reached out to Sunterra's controller to get some context however she is out of office on holiday.

Jen is back today so she and I will determine next steps of who to talk to over there and revert baack to you.

Thanks
Erin

Erin Depoe
AVP, Business Development
Calgary & Central Alberta District
t. 403.268.7835 | f. 403.262.4899 | c. 403.990.9982

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From: Nicole Sy <Nicole.Sy@cwbank.com>
Sent: July 21, 2023 2:20 PM
To: Erin Depoe <Erin.Depoe@cwbank.com>
Cc: Jennifer Zazuliak <Jennifer.Zazuliak@cwbank.com>
Subject: Sunterra Farms Ltd
Importance: High
Sensitivity: Confidential

Hello Erin,

I am hoping for your assistance with this time sensitive request in Jennifer's absence as this is coming from our US clearing bank.

They have noticed that Sunterra Farms has been depositing sequential large value USD cheques drawn from Sunterra Farms Iowa. Upon review, it looks like the funds are immediately being used towards outgoing USD cheques to Compeer in the same pattern – sequential large value cheques.

Could you please inquire (or if you already know) why separate cheques are issued simultaneously to/from the same entities, what dictates the amount of each cheque, purpose, etc.

I have included a few of the cheque deposits below, followed by samples of outgoing cheques. Note that the amounts in do not exactly correspond to amounts out – not sure how the amounts are being distributed.

Please let mw know if you have any questions. Thank you in advance for your help!

Incoming cheques

SUNTERRA

SUNTERRA FARMS IOWA INC.
907 WEST CEDAR STREET
BERESFORD, SD 57004

COMPEER FINANCIAL
PAYABLE THROUGH WELLS FARGO BANK, N.A.

66-156/531

014197

DATE 3/24/2023
MM DD YYYY

PAY ***One million four hundred forty-one thousand and xx / 100

$ ***1,441,000.00

U.S. DOLLARS

TO THE ORDER OF
Sunterra Farms Ltd. (US)
Box 266
Acme AB CANADA
T0M 0A0

SUNTERRA FARMS IOWA INC.

PER:

⑈014197⑈ ⑆053101561⑆ 8531159046100⑈

10100 120 4198
Endorsement - Signature or Stamp

Date: 24/03/2023
Canadian Western Bank

BACK/ENDOS

Posting Date	2023 Mar 24
DB/CR Indicator	Debit
Amount	$1,441,000.00
Posting Check Number	14197
Posting Account Number	0
Posting Seq Number	75534326
Tran Code	0
ABA/RT Number	5310156

SUNTERRA

SUNTERRA FARMS IOWA INC.
907 WEST CEDAR STREET
BERESFORD, SD 57004

COMPEER FINANCIAL
PAYABLE THROUGH WELLS FARGO BANK, N.A.

66-156/531

014196

DATE 3/24/2023
MM DD YYYY

PAY ***One million five hundred seventy thousand and xx / 100

$ ***1,570,000.00

U.S DOLLARS

TO THE ORDER OF
Sunterra Farms Ltd. (US)
Box 266
Acme AB CANADA
T0M 0A0

SUNTERRA FARMS IOWA INC.

PER:

⑈014196⑈ ⑆053101561⑆ 8531159046100⑈

10100120498
Endorsement - Signature or Stamp

Date: 24/03/2023
Canadian Western Bank

BACK/ENDOS

Posting Date	2023 Mar 24
DB/CR Indicator	Debit
Amount	$1,570,000.00
Posting Check Number	14196
Posting Account Number	0
Posting Seq Number	75534325
Tran Code	0
ABA/RT Number	5310156

<u>Outgoing cheques</u>

SUNTERRA FARMS LTD.
BOX 266
ACME, ALBERTA, CANADA T0M 0A0
TEL: (403) 546-3818 FAX: (403) 546-4179

CANADIAN WESTERN BANK
606 - 4 STREET SW
CALGARY, AB T2P 1T1

US 01

3/24/2023

PAY One Million Four Hundred Seventeen Thousand Dollars and No Cents $ 1,417,000.0

DOLLA

TO THE ORDER OF
Compeer Financial
Box 4249
Makato MN 56002-4249
USA

SUNTERRA FARMS LTD.
U.S. FUNDS

PER:

PER:

⑈018091⑈ ⑆03039⑉030⑆ 10100120419 8⑈ 45 ⑈0141700001

Negotiating Institution: RBC ROYAL BANK
Deposit Transit Number: 09591-003
Account Number: 408-209-5
Date (YYYYMMDD): 20230331
Item Sequence Number: 9136508367

Printer ID # / NI d'imprime

Compeer Financial
ACA, FLCA, PCA; for deposit only
to the account of AgriBank, FCB

Endorsement - Signature or Stamp

BACK/ENDOS

SUNTERRA FARMS LTD.
BOX 266
ACME, ALBERTA, CANADA T0M 0A0
TEL: (403) 546-3818 FAX: (403) 546-4179

CANADIAN WESTERN BANK
606 - 4 STREET SW
CALGARY, AB T2P 1T1

US 01

3/27/2023

PAY Five Hundred Ninety Thousand Dollars and No Cents $ 590,000.00 DOLLA

TO THE ORDER OF
Compeer Financial
Box 4249
Makato MN 56002-4249
USA

SUNTERRA FARMS LTD.
U.S. FUNDS

PER.

PER: C

⑈018103⑈ ⑆03039⑉030⑆ 1010012041981⑈ 45 ⑈00590000

Negotiating Institution: RBC ROYAL BANK
Deposit Transit Number: 09591-003
Account Number: 408-209-5
Date (YYYYMMDD): 20230331
Item Sequence Number: 9136508372

Compeer Financial
ACA, FLCA, PCA; for deposit only
to the account of AgriBank, FCB

Endorsement - Signature or Stamp

Printer ID # / NI d'imprime

BACK/ENDOS

-
Nicole Sy
AML Investigator, Regulatory Compliance, Canadian Western Bank

OBSESSED WITH YOUR SUCCESS™

This is Exhibit "3" referred to in the Affidavit of Erin Depoe

affirmed before me this 29th day of September, 2025.

A Notary Public in and for the Province of British Columbia

[redacted]

Internal Use

From: Ray Price
Sent: July 25, 2023 2:20 PM
To: Erin Depoe
Cc: Al Cavanagh
Subject: RE: Financial statements and revised projections

CAUTION: This email originated from outside of CWB Financial Group.

Hi,

3:00 pm works for me and I will come to your office.

I checked on the cheques. With no U.S. operating line in Canada and no Canadian operating line in the U.S. we are trying to manage both as best we can without doing CDN to USD and USD to CDN dollar exchanges. We can discuss further when we are together if that works?

I have a conference call with KPMG this afternoon and will ask them about putting the information on one statement.

I am on the Fortis Alberta Board and we are meeting this afternoon and it continues tomorrow. I will check for messages off and on in case you need anything.

Thanks and see you Thursday.

Ray

From: Erin Depoe <Erin.Depoe@cwbank.com>
Sent: Tuesday, July 25, 2023 2:09 PM
To: Ray Price <ray.price@sunterra.ca>
Cc: Al Cavanagh <Al.Cavanagh@cwbank.com>
Subject: RE: Financial statements and revised projections

Attention: This email is from outside Sunterra. Use caution when clicking links or opening attachments. if you have any concerns, please contact VINCOVI.

Hi Ray,

I'll circulate an invite for 3PM Thursday, hopefully that still works. If you're in town we'd be happy to host you.

If you could let me know as soon as possible with respect to the cheque activity please.

Ideally KPMG would provide a consolidation – they would have done the statements for all entities stand alone, correct? We are seeking a single source of information to complete our financial analysis and covenant testing.

Thank you
Erin

From: Ray Price <ray.price@sunterra.ca>
Sent: July 24, 2023 4:14 PM
To: Erin Depoe <Erin.Depoe@cwbank.com>
Cc: Al Cavanagh <Al.Cavanagh@cwbank.com>
Subject: RE: Financial statements and revised projections

CAUTION: This email originated from outside of CWB Financial Group.

Hi,

Thanks for the note. Would mid afternoon Thursday work? 3:00 or 3:30 pm at your office?

I will connect with Craig and/or Debbie about your question and get back to you.

Is it okay if we combine the 5 companies listed or would you like KPMG to do it?

Thanks,
Ray

From: Erin Depoe <Erin.Depoe@cwbank.com>
Sent: Monday, July 24, 2023 3:52 PM
To: Ray Price <ray.price@sunterra.ca>
Cc: Al Cavanagh <Al.Cavanagh@cwbank.com>
Subject: RE: Financial statements and revised projections

Attention: This email is from outside Sunterra. Use caution when clicking links or opening attachments. if you have any concerns, please contact VINCOVI.

Hi Ray,

Thank you for forwarding the attachments. At quick glance, I noted the following were missing:
- Confirmation of Payable Status (annual requirement, form attached);
- Officer's Compliance Certificate (required for F2022 and Q1 2023, template form attached, please include calculations and results); and
- Consolidated statements for our group of borrowers: SFC, SQFM, Trochu, Sunwold, Sunterra Farms.

How does your schedule look on Thursday? Al and I should be able to accommodate you any time.

Also, we had an inquiry come across which I reached out to Debbie on this morning. I see she's on (well deserved) holiday, perhaps you can assist, or would Craig be the better resource? CWB's US clearing bank have noticed that Sunterra Farms has been depositing sequential large value USD cheques drawn from Sunterra Farms Iowa which are immediately being used towards outgoing USD cheques to Compeer in sequential large value cheques. Could you help me understand why separate cheques are issued simultaneously to/from the same entities, what dictates the amount of each cheque and the purpose, please?

Thanks again Ray, talk soon.

Kind regards,
Erin

From: Ray Price <ray.price@sunterra.ca>
Sent: July 24, 2023 8:24 AM
To: Erin Depoe <Erin.Depoe@cwbank.com>
Subject: Financial statements and revised projections

CAUTION: This email originated from outside of CWB Financial Group.

Hi,

Sorry for the delay in providing the financial statements this year. I have attached all of the statements for all of the Sunterra Companies, Consolidated statements for each of the Sunterra Enterprises Inc, Sunterra Food Corporation and Sunterra Farm Enterprises companies, as well as the Group combined statement. I have also attached a revised 2023 forecast using current futures pricing for pigs and feed,

It was a disappointing year for the Sunterra Food Group companies coming out of Covid and while the pig operations did okay during the first 7 or 8 months, the end of the year and the first 4 months of 2023 had low pig prices and high feed grain costs. As compared to others in the industry, the pig division did well to generate positive cash flow while others were losing money. I have included the financial statement for Sunterra Farms Greenhouse because it is included in the Group statement. As you know it was in it's first year of operation and sustained some losses.

It would be good to connect to go through the statements and forecasts whenever it works best for you.

Thanks,
Ray

Ray Price
Sunterra Group
(t) 403.546.3818 | ray.price@sunterra.ca

SUNTERRA

This is Exhibit "4" referred to in the Affidavit of Erin Depoe

affirmed before me this 29th day of September, 2025.

A Notary Public in and for the Province of British Columbia

DRAFT until we advise on covenant waiver.

Ray to send assumptions Cap Rates on commercial/retail

SUNTERRA UPDATE

SQPM

- not sure if want to extend past 2.5 yrs
- Edmonton Commerce Place lease up end of May '24.
- keynote 2.5 yrs left. Going to ↓ rent and release 2nd Fl $32/sq ↓ ~$17/sq
- BH coming back
- TC Energy store closed end of May. keeping the Starbucks for now
- Did catering for AB Summer Games
- Pork promos really popped sales
- New sales via farmer direct @ UFA stores
- lagged on pricing adjustments for inflation. More diligent now (did March/June) to protect margins
  - Bringing some expertise back
    - Calgary Co-op is sniffing to buy out the markets. [illegible] ~~pp toggled to revenue. Would look @ an offer $80MM (band $40MM - $70MM)~~

TROCHU

- 2022 struggled b/c closed markets, basically only domestic
- Japanese market reopened and begun ramping up demand costing to staff up ↑ netting ~$9000/container now 4 containers/week – 5 containers Mitsui brokering to Japan + Korea (1 every other week) aim to get 100 over pig {(15 package/20 freight/15 - to labor)
- Have earned the Japanese mkt respect just need to keep up Q
- Mitsui considering investing in pig production & plants w/ Heartland Hutterite colonies. Have to get 7 different groups onside.
- Freight rates have come down to about 50%

[FARMS]

- Pig business "worst 8 months" Sept 22 - April 23
  high feed grain and lower prices
- SVB caused massive selloff in commodities including Ag and pig prices. Futures came back
- Super volatile but supply / demand is supportive
- all pigs in S. Dakota because has lots of available grain for feed. Drought in 2022 affected that, way more expensive
- use of futures for corn and pork prices in forecasts
- Is there any way to buy options to protect return
- Europe v. high pricing (domestic only) so not exporting
  herds are down 15-30% (swine flu)
- market is "shutting down" a lot of pork production, cutting back on pig population because too expensive.

- Buying feed and stocking up to protect the ~~[illegible]~~ risk if the prices escalate

- Have had some natural attrition in the staffing to cover up and address overhead costs.
- Westmarket Square for sale, not specifically encumbered so could take 50% of pp for working capital. 5-10MM into the business

- Greenhouses got up but a late start, -$6MM last year but allowing 2 years to get plants up to capacity. Want to continue to sell own, brokerage takes [redacted] off the top.
  Approx 6MM kilos/year. Needed to prove to big players that they could fulfill the quota. Meeting w/ Kroger to do some PNW stores.

- likely to [illegible] w/ [illegible] Sept.

may just add to

- Have asked FCC for an \$8mm TL ^ the advancer loan.
- \$45MM appraisal on the greenhouse. up to \$23MM
- Have been stretching payables to prop up cash. This would be where the W/C inject goes to address. Then op CF should be [illegible]
- FCC: "[illegible] \$ +202mm assets vs ~\$52mm debt" most of the asset value is off balance sheet equity

- Will be offside of DSC covenant for CWB & FCC
  KPMG prep'd on the EE Borrowers
- had to move a lot of things around for the reasons and considerations

- Could we pull FCC's appraisal/valuation (internally prepared)