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APPLICANT(S)

**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.**

DOCUMENT

**AFFIDAVIT (SISP APPROVAL ORDER AND SECOND AMENDED AND RESTATED INITIAL ORDER)**

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**AFFIDAVIT OF NEIL NARFASON**  
**Sworn April 21, 2026**

I, Neil Narfason, of Alberta, MAKE OATH AND SAY:

**I. INTRODUCTION**

1. I am the President of Neil Narfason Professional Corporation ("NNPC"). NNPC was engaged in late February 2026 to provide restructuring advisory services to the applicants

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in these CCAA proceedings (collectively, the “**Applicants**” or the “**Sunterra Group**”) in accordance with the authority granted to the Applicants under the Amended and Restated Initial Order of this Court granted on April 28, 2025 (the “**ARIO**”).

2. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true. Nothing in this affidavit is intended to waive, nor shall be construed as waiving, any applicable privilege.
3. This affidavit is sworn in support of the Applicants’ application seeking, among other things, the SISP Approval Order and the Second ARIO (each as defined below). I understand that Arthur Price will also be providing an affidavit in support of the Applicants’ application which will, among other things, provide additional background information with respect to the Applicants, developments within these CCAA proceedings, and the relief being sought by the Applicants in connection with this application.
4. The Applicants have been working with their legal counsel, Goodmans LLP (“**Goodmans**”), and NNPC to explore and advance potential options for a comprehensive, value-maximizing restructuring solution. In this regard, NNPC and Goodmans are working on behalf of the Applicants to advance two parallel paths: (i) the Plan / Restructuring Path, and (ii) the Transaction Path.
5. In furtherance of the Transaction Path, NNPC and Goodmans were instructed by the Applicants to take the lead on efforts to develop a proposed sale and investment solicitation process (the “**SISP**”) intended to enable a broad canvassing of the market to identify potential transactions in respect of the Sunterra Group or its businesses that would maximize value for the benefit of all stakeholders.
6. The SISP, as described in further detail below, provides a comprehensive, two-phase process designed to solicit interest in, and opportunities for, Investment Proposals and Sale Proposals (each as defined below) in respect of the Sunterra Group or its businesses. Initial non-binding letters of intent are to be submitted by June 25, 2026, with binding offers to follow by a date to be determined in accordance with the SISP and communicated to parties.
7. NNPC and Goodmans have engaged with FTI Consulting Canada Inc., in its capacity as monitor of the Applicants (the “**Monitor**”) and the key stakeholders as part of developing the SISP, including National Bank of Canada (“**NBC**”), Farm Credit Canada (“**FCC**”), and Compeer Financial, PCA (“**Compeer**”), in an effort to facilitate stakeholder support. These discussions have included, among other things, consultation with the Monitor, NBC, FCC and Compeer on the engagement of a sale advisor. As discussed further below, as a result of these efforts, KPMG Corporate Finance Inc. (“**KPMG**”) has been selected to act as the sale advisor in connection with the SISP (the “**Sale Advisor**”).
8. After careful consideration of stakeholder interests, among other factors, the Applicants are proceeding with a SISP that they believe appropriately balances the interests of all



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parties and is appropriately structured to ensure a thorough canvassing of the market and a competitive process.

9. As part of this application the Applicants are also seeking Court approval of the appointment of NNPC as the Chief Restructuring Advisor of the Applicants (in such capacity, if appointed, the “**Chief Restructuring Advisor**”), with authority to oversee and advance restructuring solutions and possible sale, investment or refinancing alternatives, including the SISP. In accordance with the foregoing authority, it is proposed that the SISP will be led by NNPC, as the Chief Restructuring Advisor, with the assistance of the Sale Advisor, under the supervision of the Monitor.
10. Further, as described further below, the SISP provides that NBC, FCC and Compeer (collectively, the “**Consultation Stakeholders**”) are entitled to certain consultation rights, including the right to receive bi-weekly updates on the SISP, subject to certain conditions.
11. The SISP is a critical step in furtherance of the Transaction Path and I believe that implementation of the SISP will advance the Applicants’ overall restructuring efforts. I am not aware of any prejudice to creditors that would result from implementation of the SISP.
12. In connection with the foregoing, the Applicants are seeking:
  - (a) an Order (the “**SISP Approval Order**”), among other things, approving the SISP, which is attached Schedule “A” to the SISP Approval Order, and authorizing the Chief Restructuring Advisor to commence the SISP, with the assistance of the Sale Advisor, under the supervision of the Monitor and, where applicable, in consultation with the Applicants and the Consultation Stakeholders; and
  - (b) an Order (the “**Second ARIO**”) amending and restating the ARIO to, among other things,
    - (i) approve KPMG as the Sale Advisor in connection with the SISP;
    - (ii) authorize the Applicants to enter into an engagement letter with the Sale Advisor, with the consent of the Monitor, on terms substantially consistent with the terms described herein, and authorize the Applicants to pay the fees and expenses of the Sale Advisor, including, without limitation, the Work Fee and the Transaction Fee (each as defined below) (the “**Sale Advisor Fees**”);
    - (iii) grant a charge on the Property (as defined in the ARIO) (the “**Sale Advisor Charge**”) in favour of the Sale Advisor as security for the Sale Advisor Fees, which charge shall rank *pari passu* with the Administration Charge (as defined in the ARIO);
    - (iv) amend the Administration Charge to add the Chief Restructuring Advisor as a beneficiary of the Administration Charge;

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- (v) extend the Stay Period (as defined below) to and including October 30, 2026; and
  - (vi) grant certain additional amendments as described in the Affidavit of Arthur Price sworn February 20, 2026 (the “**February Price Affidavit**”).
13. This affidavit is sworn in support of the Applicants’ application seeking the foregoing relief.

## **II. NNPC**

14. NNPC is the professional corporation through which I provide consulting and advisory services. My professional experience includes over 20 years as a Partner at Ernst & Young Canada, based out of its Calgary office. From April 2020 to June 2024, I served as the practice leader of Ernst & Young Canada’s turnaround and restructuring services group. I am currently a Senior Advisor to Ernst & Young Canada.
15. My experience at Ernst & Young Canada includes acting as Court-appointed monitor, Court-appointed receiver, trustee in bankruptcy, and proposal trustee of numerous companies across multiple industries, including food, farm, and agricultural businesses. In these roles, I have gained extensive experience conducting and overseeing sale and investment solicitation processes.
16. I also previously served as the Chief Financial Officer of the Walton Group of Companies, a role which included providing deal advisory advice. I am presently the Chairman of the Board of Advisors of the Walton Group of Companies.
17. I hold several professional designations, including Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional, Licensed Insolvency Trustee, Chartered Business Valuator, and ICD.D Designation from the Institute of Corporate Directors. I hold professional memberships with the Insolvency Institute of Canada, as well as the Canadian Association of Restructuring and Insolvency Professionals. I am also a Fellow of the Insolvency Institute of Canada and a Fellow of the American College of Bankruptcy. I have a Bachelor of Commerce degree from the University of Saskatchewan.

## **III. DEVELOPMENT OF THE SISP AND ENGAGEMENT OF THE SALE ADVISOR**

### **A. Stakeholder Engagement**

18. Upon being engaged by the Applicants in late February 2026, NNPC, together with Goodmans, has undertaken extensive efforts, in consultation with the Applicants’ senior management, to advance next steps in furtherance of the Transaction Path, including the development of the SISP.
19. The Applicants and their advisors understood, and continue to believe, that the preferred path would be to pursue a sale process with the support of the Applicants’ key stakeholders.

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Accordingly, once the framework for the SISP was developed, NNPC and Goodmans, in coordination with the Monitor, initiated discussions with NBC, FCC and Compeer and their respective counsel regarding the SISP.

20. NNPC and Goodmans engaged in numerous discussions with NBC, FCC and Compeer and their respective counsel in order to discuss and engage on the terms of the SISP and understand their views. I believe that the Applicants, through the efforts of NNPC and Goodmans, have acted diligently and in good faith to incorporate the views of the key stakeholders, as determined appropriate by NNPC and Goodmans, and that the terms of the SISP are reflective of the extensive stakeholder engagement undertaken by NNPC and Goodmans on behalf of the Applicants.

**B. The Sale Advisor**

21. NNPC and Goodmans consulted with NBC, FCC and Compeer on the engagement of a sale advisor. The Applicants believe, and I agree, that the engagement of a sale advisor is necessary and appropriate in the circumstances in order to maximize value. In particular, I believe that a dedicated sale advisor will bring specialized expertise in marketing assets and conducting competitive sale processes and will allow for an effective canvassing of the market. The Chief Restructuring Advisor and the Monitor will provide oversight, while the day-to-day execution of the SISP will benefit from being carried out by a sale advisor.
22. After careful consideration, including considering the views and comments of the applicable stakeholders, NNPC recommended to the Applicants and the stakeholders, the engagement of KPMG as the Sale Advisor, subject to Court approval.
23. KPMG is a nationally recognized corporate finance advisory firm with extensive experience in mergers and acquisitions and sale processes. KPMG has particular expertise in conducting sale and investment solicitation processes in the context of CCAA proceedings and has acted as sale advisor in numerous insolvency proceedings across Canada. KPMG's experience includes advising on complex transactions across a variety of industries, including agriculture and agri-business. I believe that KPMG's qualifications and experience make it well-suited to serve as Sale Advisor in connection with the SISP.
24. KPMG is currently engaged by a non-applicant affiliate of the Sunterra Group in respect of sale efforts involving that entity, and has worked with certain management of the Applicants as part of this process.
25. The Applicants and KPMG have agreed that KPMG shall be entitled to payment of a work fee of \$60,000 per month (the "**Work Fee**"). KPMG shall also be entitled to a standard market percentage transaction fee on completion of any transaction under the SISP (the "**Transaction Fee**"), which shall be a minimum of \$500,000. 50% of the Work Fees paid are to be credited against the Transaction Fee. I understand that the Monitor, NBC, FCC and Compeer support the selection of KPMG and the KPMG fee structure.

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26. NNPC engaged with several potential sale advisors, reviewed their qualifications, and obtained fee proposals. This information was essential for identifying KPMG as the right sale advisor and agreeing to an appropriate fee structure with KPMG.
27. I have been coordinating with the KPMG team on certain preliminary matters in order for KPMG to be in a position to advance the SISP as soon as possible in the event that Court approval is granted pursuant to the SISP Approval Order. KPMG has also been consulted on the terms of the SISP.

#### C. Preliminary Steps

28. NNPC and Goodmans have begun taking preliminary steps to put the necessary building blocks in place so that the SISP can be advanced expeditiously following the issuance of the SISP Approval Order, if granted by the Court. These preliminary steps include, among other things: (i) preparing a draft form of non-disclosure agreement for execution by prospective bidders; (ii) collecting financial, operational and other relevant documents and information pertaining to the Applicants' businesses and assets; and (iii) beginning to populate a data room to facilitate the due diligence efforts of prospective bidders.
29. In addition, since the selection of KPMG as the Sale Advisor, there has been regular and ongoing dialogue amongst NNPC, Goodmans and KPMG to familiarize KPMG with the Applicants' businesses, assets and financial circumstances, and enable KPMG to prepare for commencing the SISP. This coordination has included providing KPMG with the information and materials needed for KPMG to begin preparing a sale process timeline, the teaser letter, the confidential information memorandum and a comprehensive list of potential bidders and investors. KPMG has also been discussing financial and operational matters with senior management of the Applicants.

#### IV. THE SISP

30. Any capitalized terms used in this section and not otherwise defined herein have the meanings given to them in the SISP.
31. The SISP is intended to solicit interest in, and opportunities for (i) one or more transactions in respect of an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Sunterra Group or the business operations of the Sunterra Group (collectively, the "**Business**"); and/or (ii) one or more sale transactions in respect of all, substantially all, or certain of the Property and/or the Business.
32. The SISP will allow for a broad range of bids to be considered. Specifically, bids to be considered pursuant to the SISP may include:
  - (a) one or more bids in respect of an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Business as a going concern, including by way of a plan of compromise or arrangement pursuant to the CCAA ("**Investment Proposals**");



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- (b) one or more bids in respect of a sale of all, substantially all, or certain of the assets, property and undertakings of the Sunterra Group or the Business (“**Sale Proposals**”); and
- (c) one or more bids combining an Investment Proposal and/or a Sale Proposal.
33. Each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor may, in its discretion and as it deems appropriate in the circumstances, consult with the Applicants in respect of all matters relating to the SISP and the conduct and implementation thereof, subject to any limitations or restrictions imposed by the Chief Restructuring Advisor or the Monitor.
34. As referenced above, each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor may also, in its discretion and as it deems appropriate in the circumstances, consult with each of the Consultation Stakeholders (being NBC, FCC and Compeer) in connection with SISP, and the Chief Restructuring Advisor shall, if and as determined appropriate by the Chief Restructuring Advisor or the Monitor, provide an update on the SISP to the Consultation Stakeholders every second week or as otherwise determined by the Chief Restructuring Advisor and the Monitor, provided that, prior to being entitled to any information and/or consultation rights under the SISP, each Consultation Stakeholder shall have (i) entered into a confidentiality agreement, in form and substance acceptable to the Chief Restructuring Advisor, in consultation with the Applicants, the Sale Advisor and the Monitor, and (ii) confirmed in writing to the Chief Restructuring Advisor, the Sale Advisor and the Monitor that it will not be a Potential Bidder or otherwise seek to participate in the SISP (whether as financing provider or otherwise), without the prior written consent of the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor. Each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor shall have all rights to cease any consultation pursuant hereto as it may deem appropriate at any time to the extent it believes it is not in the best interests of the SISP to provide any information or documents at any particular time.
35. The material terms of the SISP are summarized in the table below:

<b>Summary of Certain Key Terms of the SISP</b>	
Conduct	The SISP shall be conducted by the Chief Restructuring Advisor with the assistance of the Sale Advisor under the supervision of the Monitor and, where applicable pursuant to the terms of the SISP, in consultation with the Applicants and the Consultation Stakeholders. The Monitor will oversee, in all respects, the conduct of the SISP by the Chief Restructuring Advisor with the assistance of the Sale Advisor and shall be entitled to receive all information in relation to the SISP. As soon as reasonably practicable following the granting of the SISP Approval Order, the Sale Advisor shall, in consultation with the Chief Restructuring Advisor, the Monitor and the Applicants (to the extent determined appropriate by the Chief Restructuring Advisor or the Monitor), among other things: (i) prepare a teaser letter describing the opportunity, outlining the process under the SISP and inviting recipients to express their interest in the Property or Business pursuant to the SISP; (ii) prepare a confidential information memorandum (including preparing more than one confidential information memorandum to address separate lines of the Business or portions of the Property); (iii) prepare a form of non-disclosure agreement (“ <b>NDA</b> ”); (iv) establish a secure

<b>Summary of Certain Key Terms of the SISP</b>	
	<p>electronic data room; (v) prepare a list of known potential bidders (including parties that have approached the Applicants, the Chief Restructuring Advisor, the Sale Advisor or the Monitor, and local and international strategic and financial parties that the Sale Advisor, in consultation with the Chief Restructuring Advisor, the Applicants and the Monitor, believes may be interested in the opportunity); (vi) cause a notice of the SISP to be published in newspapers and/or industry publications; and (vii) send the teaser letter and non-disclosure agreement to all known potential bidders and to any other party who requests copies.</p>
Process and Timeline	<ul style="list-style-type: none"> <li>• <b>Phase 1 Bid Deadline</b> – In order to participate in the SISP, interested parties must enter into an NDA with the Applicants and indicate which Property or Business such party may be interested in (each such party, a “<b>Phase 1 Qualified Bidder</b>”), provided that the Applicants and any related party of any of the Applicants shall be permitted to participate in the SISP, and in such circumstance the Applicants shall be deemed to be Phase 1 Qualified Bidders without the need to comply with the foregoing requirements (provided that any bids submitted by the Applicants or their related parties must otherwise be submitted in accordance with the SISP). If any of the Applicants or their related parties participate in the SISP, none of the Applicants will be entitled to receive any other offers or bids related to the Property submitted by any third parties. Phase 1 Qualified Bidders must deliver an executed, non-binding letter of intent (an “<b>LOI</b>”) identifying such bidder’s interest in each specific Property or Business to the Sale Advisor not later than 5:00 p.m. (Calgary Time) on June 25, 2026, as may be extended by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “<b>Phase 1 Bid Deadline</b>”).</li> <li>• <b>Phase 2 Qualified Bidders</b> – Following the Phase 1 Bid Deadline, the Chief Restructuring Advisor, in consultation with the Sale Advisor and Monitor, shall determine which LOIs meet the criteria set out below and are “<b>Phase 1 Qualified Bids</b>” (provided that the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive compliance with any one or more of the requirements for a Phase 1 Qualified Bid and deem any such non-compliant LOI to be a Phase 1 Qualified Bid). The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, shall determine which LOIs constitute Phase 1 Qualified Bids and the parties submitting such Phase 1 Qualified Bids shall be deemed “<b>Phase 2 Qualified Bidders</b>”. Only Phase 2 Qualified Bidders shall be permitted to proceed to the second phase of the SISP.</li> <li>• <b>Phase 2 Bid Deadline</b> – A Phase 2 Qualified Bidder that wishes to make a final and binding Sale Proposal or Investment Proposal shall submit a binding offer (a “<b>Binding Offer</b>”) by the date determined by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “<b>Phase 2 Bid Deadline</b>”), which deadline shall be set out in the Phase 2 Process Letter that will be delivered to parties. The Chief Restructuring Advisor, in consultation with the Sale Advisor and Monitor, will identify the success bid(s) (each, a “<b>Successful Bid</b>”) and successful bidder(s) (each, a “<b>Successful Bidder</b>”).</li> </ul>
Requirements for Phase 1 Qualified Bids	<p>An LOI will only be considered a Phase 1 Qualified Bid if it, among other things:</p> <ul style="list-style-type: none"> <li>• Has been duly executed and received by the Phase 1 Bid Deadline, and indicates whether the Phase 1 Qualified Bidder is making a Sale Proposal, an Investment Proposal, or a combination thereof;</li> <li>• In the case of a Sale Proposal, it identifies: (i) the purchase price or price range, assumptions supporting the valuation and the anticipated amount of cash payable on closing, (ii) the contemplated purchase price adjustments, (iii) a description of the specific Property, (iv) the liabilities and obligations to be excluded, and (v) other material terms;</li> </ul>

<b>Summary of Certain Key Terms of the SISP</b>	
	<ul style="list-style-type: none"> <li>• In the case of an Investment Proposal, it identifies: (i) the aggregate amount of the equity and/or debt investment to be made in the Sunterra Group or the Business and the key assumptions supporting the valuation, (ii) a description of the structure of the proposed investment, restructuring, recapitalization, refinancing or reorganization, (iii) the underlying assumptions regarding the <i>pro forma</i> capital structure, (iv) the liabilities and obligations to be excluded, and (v) other material terms;</li> <li>• Contains evidence of the financial wherewithal and the ability to consummate the transaction;</li> <li>• Identifies the proposed conditions to closing, including any internal, regulatory or third party approvals;</li> <li>• Identifies the Phase 1 Qualified and representatives thereof who are authorized to appear and act on behalf of the Phase 1 Qualified Bidder regarding the contemplated transaction, provides the details of the Phase 1 Qualified Bidder's ownership, discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the LOI, and indicates whether any person referenced is a direct or indirect shareholder, equity holder, director, officer, member of the senior management team of, or otherwise a related party to, any of the Applicants; and</li> <li>• Provides an outline of the additional due diligence required to be conducted in order to submit a binding offer.</li> </ul> <p>As referenced above, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive compliance with any one or more of the requirements for a Phase 1 Qualified Bid and deem any non-compliant LOI to be a Phase 1 Qualified Bid. If it is determined by the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, that no LOI constitutes a Phase 1 Qualified Bid, the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, may determine to extend the Phase 1 Bid Deadline and continue the SISP, terminate the SISP, or direct the Sunterra Group to seek further direction from the Court.</p>
Requirements for Phase 2 Qualified Bids	<p>A Binding Offer will only be considered a "<b>Phase 2 Qualified Bid</b>" if it, among other things:</p> <ul style="list-style-type: none"> <li>• Has been duly executed and received by the Phase 2 Bid Deadline;</li> <li>• Complies with the requirements to be a Phase 1 Qualified Bid;</li> <li>• Is a Binding Offer to (i) purchase all, substantially all, or a portion of the Property of Business; or (ii) make an investment in, recapitalize, reorganize or refinance the Sunterra Group or the Business;</li> <li>• Identifies the executory contracts that will be assumed and describes how defaults will be remedied;</li> <li>• Is not conditional upon the outcome of unperformed due diligence or obtaining financing;</li> <li>• Includes acknowledgments that the bidder has had opportunity for due diligence and relied solely on its own independent review;</li> <li>• Fully discloses identity of each entity entering into, participating in or benefiting from the transaction or financing;</li> <li>• Contains evidence of authorization and approval from the board of directors and/or shareholders, as applicable;</li> <li>• Provides written evidence of firm, irrevocable financial commitment for all required funding;</li> </ul>

<b>Summary of Certain Key Terms of the SISP</b>	
	<ul style="list-style-type: none"> <li>• Demonstrates the capacity to close on or before the outside date determined by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “<b>Outside Date</b>”), which date shall be set out in the Phase 2 Process Letter;</li> <li>• Is accompanied by a letter confirming the Binding Offer is irrevocable until the earlier of (a) closing of the Successful Bid, and (b) the Outside Date;</li> <li>• Is accompanied by a cash deposit of not less than 10% of the cash purchase price or total new investment (to be held in trust by the Monitor); and</li> <li>• Contains an agreement that the Phase 2 Qualified Bidder, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a backup bidder in the event the Successful Bidder fails to close.</li> </ul> <p>The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem any non-compliant Binding Offer to be a Phase 2 Qualified Bid.</p>
Evaluation and Selection of Successful Bid	<p>Binding Offers will be evaluated based upon several factors, including: proposed purchase price or consideration, net value and form of consideration, conditions attached to the bid, nature and extent of the representations and warranties, factors affecting the speed, certainty and value of the transaction, likelihood and timing of consummating the transaction, and the bidder’s ability to finance and consummate the transaction by the Outside Date. If it is determined by the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, that no Binding Offer constitutes a Phase 2 Qualified Bid, the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, may determine to extend the Phase 2 Bid Deadline and continue the SISP, terminate the SISP, or direct the Sunterra Group to seek further direction from the Court.</p> <p>The Chief Restructuring Advisor, in consultation with the Sale Advisor and Monitor, will identify the Successful Bid(s) and Successful Bidder(s). The Chief Restructuring Advisor may select: (a) a single Successful Bid for all or substantially all of the Property and Business; or (b) different Successful Bids for a portion or subset of the Property or Business. The Chief Restructuring Advisor has no obligation to select a Successful Bid and, subject to consultation with the Sale Advisor and the Monitor, reserves the right to reject any or all Phase 2 Qualified Bids.</p> <p><u>Auction</u></p> <p>If two or more Phase 2 Qualified Bids are received, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may proceed with an auction (the “<b>Auction</b>”) to determine the Successful Bid. Upon determination to proceed with the Auction, the Sale Advisor shall provide written notice to each Phase 2 Qualified Bidder, along with copies of all Phase 2 Qualified Bids (on a confidential basis), identifying the leading bid and start date of the Auction.</p> <p><u>Backup Bid</u></p> <p>The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may designate one or more Phase 2 Qualified Bids as backup bids (each, a “<b>Backup Bid</b>”).</p>
Court Approval	<p>The selection of any Successful Bid shall be subject to approval by the Court. At such hearing, the Applicants shall seek approval to consummate any Successful Bid(s) and, failing consummation, approval to consummate any Backup Bid(s).</p>
Alternative Transaction	<p>Notwithstanding anything else contained in the SISP, the Chief Restructuring Advisor, after consulting with the Monitor and any consultation with the Consultation Stakeholders in accordance with the terms of the SISP, may at any time during the SISP propose a pre-emptive transaction, stalking-horse sale transaction, refinancing transaction or other restructuring transaction, and bring forward such transaction for Court approval.</p>

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<b>Summary of Certain Key Terms of the SISP</b>	
Deposit	As referenced above, it is a requirement for Phase 2 Qualified Bids be accompanied by a cash deposit of not less than 10% of the cash purchase price or total new investment (to be held in trust by the Monitor). Any deposit delivered with a Phase 2 Qualified Bid that is not selected as a Successful Bid(s) or Backup Bid(s) will be returned to the applicable bidder within 10 business days of the date on which the Successful Bid is approved by the Court, or such earlier date as may be determined by the Monitor, in consultation with the Chief Restructuring Advisor and the Sale Advisor. Any deposit delivered in respect of a Backup Bid will returned to the applicable bidder within 10 business days of the date on which the Successful Bid is consummated.
Amendments	The Chief Restructuring Advisor, in consultation with the Sale Advisor, shall have the right to modify the SISP with the prior written approval of the Monitor if such modification will enhance the process or better achieve its objectives.
Board Approval Required	Nothing in the SISP shall be construed to authorize the Chief Restructuring Advisor to (i) exercise any powers properly exercised by a board of directors or any officer of the Applicants, (ii) eliminate or modify any requirement for any approval by a board of directors of the Applicants with respect to any actions taken by the Chief Restructuring Advisor, or (iii) authorize the Chief Restructuring Advisor to contract, bind or settle any claims of the Applicants in any manner without the Applicants' prior written consent.

36. I believe that it is appropriate at this time and in the interests of the Applicants and their stakeholders to proceed with the SISP to seek to identify a potential going-concern sale or restructuring transaction that would maximize the value of the Applicants' businesses.

## V. SECOND ARIO

37. Pursuant to the proposed Second ARIO, the Applicants are seeking certain of the relief discussed in the February Price Affidavit, including amendments to the Administration Charge to confirm that Goodmans is a beneficiary of the Administration Charge, the addition of a clarifying provision regarding no party being permitted to assert rights of set-off in respect of any obligations owing before the commencement of these CCAA proceedings without an order of the Court, as well as the relief described below.

### A. Extension of the Stay Period

38. The stay of proceedings granted by the Initial Order in favour of the Applicants, their business and property currently expires on May 1, 2026 (the "Stay Period"). The Applicants are requesting an extension of the Stay Period pursuant to the Second ARIO to and including October 30, 2026.
39. The proposed extension of the Stay Period is necessary in order to maintain the status quo and continued stability while the Applicants, through NNPC and their other advisors, concurrently advance the Plan / Restructuring Path and the Transaction Path in pursuit of a comprehensive restructuring solution. Regarding the Transaction Path, the extension of the Stay Period is required to provide sufficient time for the implementation of the SISP. An extension of the Stay Period to and including October 30, 2026 will enable the receipt

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and evaluation of Phase 1 Qualified Bids and will also provide sufficient time thereafter to further advance the SISP based on the Phase 2 Bid Deadline, which, as referenced above, is to be determined in accordance with the terms of the SISP. As for the Plan / Restructuring Path, NNPC and Goodmans have been discussing with the key stakeholders and the Monitor potential structures and alternatives for a framework of a restructuring plan and the satisfaction of claims against the Sunterra Group. The requested extension of the Stay Period will enable these discussion to continue to advance.

40. The requested extension of the Stay Period will also enable NNPC to advance various other key matters in furtherance of the Applicants' restructuring efforts. Among other matters, NNPC and the Monitor have met with Signature Pointe Developments Inc. ("SPDI"), which, with Sunterra Enterprises Inc., owns West Market Square Inc. ("WMS"), a non-applicant entity, to address matters regarding WMS. WMS owns the commercial property located at 1851 Sirocco Drive S.W., Calgary, Alberta, T3H 4R5, and is a sublandlord of a shopping facility. The extension of the Stay Period will provide NNPC and the Monitor with the opportunity to continue to engage with SPDI in an effort to address matters regarding WMS on a commercial basis.
41. I understand that the Monitor will be filing an updated cash flow forecast in connection with this application, and that such cash flow forecast will show that the Applicants have sufficient liquidity to operate through the requested extended Stay Period.
42. I believe that the Applicants have acted and continue to act in good faith and with due diligence, and I do not believe that any creditor or stakeholder will suffer any material prejudice as a result of the proposed extension of the Stay Period.

**B. Amendments to the Administration Charge**

43. The Court granted the Administration Charge pursuant to the Initial Order to secure the payment of the professional fees and disbursements of the Monitor, counsel to the Monitor, Harris & Partners Inc., as the proposal trustee, and its counsel, Hawco Peters and Associates Inc., and counsel to the Applicants, incurred both before and after the granting of the Initial Order. The Administration Charge was maintained pursuant to the ARIO.
44. Pursuant to the Second ARIO, the Applicants are requesting amendments to the Administration Charge to:
  - (a) confirm that Goodmans is a beneficiary of the Administration Charge; and
  - (b) add the Chief Restructuring Advisor as a beneficiary of the Administration Charge in respect of its monthly fee and disbursements payable to the Chief Restructuring Advisor pursuant to the engagement letter between NNPC and the Applicants.



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**C. Approval of Sale Advisor and the Sale Advisor Charge**

45. Pursuant to the Second ARIO, the Applicants are seeking approval of KPMG as the Sale Advisor in connection with the SISP, as well as authorization for the Applicants to enter into an engagement letter with the Sale Advisor, with the consent of the Monitor, on terms substantially consistent with the terms described herein and to pay the Sale Advisor Fees.
46. In addition, the Applicants are requesting that the Court grant the Sale Advisor Charge on the Property as security for the Sale Advisor Fees. The Sale Advisor Charge is proposed to rank *pari passu* with the Administration Charge, with the Directors' Charge (as defined in the ARIO) ranking behind both charges.
47. The Applicants believe, and I agree, that the engagement of KPMG as the Sale Advisor in connection with the SISP, as well as the related relief, including the granting of the Sale Advisor Charge, is in the best interests of the Applicants and their stakeholders. As discussed above, the Applicants, through NNPC and Goodmans, have undertaken significant efforts to consult with the Monitor and the key stakeholders on the engagement of KPMG on the terms described herein.

**VI. CONCLUSION**

48. I believe that the Applicants have been working diligently and in good faith to advance matters in these CCAA proceedings. Following extensive engagement with key stakeholders, led by NNPC and Goodmans, the Applicants have determined that approval of the proposed SISP and the engagement of KPMG as Sale Advisor is appropriate in the circumstances and is in the best interests of the Applicants and their stakeholders. The SISP, which will be led by NNPC, as proposed Chief Restructuring Advisor, with the assistance of the Sale Advisor and under the supervision of the Monitor, will provide a fair process for soliciting interest in, and opportunities for value-maximizing transaction proposals in respect of the Applicants and their businesses and assets.
49. I believe that the relief being requested by the Applicants in their application, including the SISP Approval Order and the Second ARIO, is in the best interests of the Applicants and their stakeholders in the circumstances.
50. This affidavit was sworn using video technology. The affiant was not physically present before the commissioner but was linked to the commissioner utilizing video technology in accordance with the process for remote commissioning of affidavits set out in the Notice



to the Profession & Public Notice: Remote Commissioning of Affidavits For Use in Civil and Family Proceedings During the COVID-19 Pandemic.

SWORN before me by videoconference with the affiant at the Municipality of Invermere, in the Province of British Columbia, and the commissioner at the City of Toronto, in the Province of Ontario, on April 21, 2026



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NEIL NARFASON

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A Commissioner for taking affidavits in the Province of Ontario

Andrew Harmes LSO#73221A

	Clerk's Stamp:	<div style="border: 1px solid black; width: 150px; height: 50px; display: inline-block;"></div>
COURT FILE NO.	2501-06120	
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT(S)	<p><b>IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i>, R.S.C. 1985, c. C-36, AS AMENDED</b></p> <p><b>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.</b></p>	
DOCUMENT	<b>AFFIDAVIT (SISP APPROVAL ORDER AND SECOND AMENDED AND RESTATED INITIAL ORDER)</b>	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<p><b>Goodmans LLP</b>  Bay Adelaide Centre  333 Bay Street, Suite 3400  Toronto, ON M5H 2S7</p> <p>Attn: Robert J. Chadwick / Caroline Descours /  Andrew Harnes / Gurratan Gill</p> <p>Tel: 416.597.4285 / 416.597.6275 / 416.849.6923 /  416.849.6975</p> <p>Fax: 416.979.1234</p> <p>Email: <a href="mailto:rchadwick@goodmans.ca">rchadwick@goodmans.ca</a>  <a href="mailto:cdescours@goodmans.ca">cdescours@goodmans.ca</a>  <a href="mailto:aharnes@goodmans.ca">aharnes@goodmans.ca</a>  <a href="mailto:ggill@goodmans.ca">ggill@goodmans.ca</a></p>	

**AFFIDAVIT OF NEIL NARFASON**

**Sworn April 21, 2026**

I, Neil Narfason, of Alberta, MAKE OATH AND SAY:

**I. INTRODUCTION**

1. I am the President of Neil Narfason Professional Corporation ("NNPC"). NNPC was engaged in late February 2026 to provide restructuring advisory services to the applicants



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in these CCAA proceedings (collectively, the “**Applicants**” or the “**Sunterra Group**”) in accordance with the authority granted to the Applicants under the Amended and Restated Initial Order of this Court granted on April 28, 2025 (the “**ARIO**”).

2. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true. Nothing in this affidavit is intended to waive, nor shall be construed as waiving, any applicable privilege.
3. This affidavit is sworn in support of the Applicants’ application seeking, among other things, the SISP Approval Order and the Second ARIO (each as defined below). I understand that Arthur Price will also be providing an affidavit in support of the Applicants’ application which will, among other things, provide additional background information with respect to the Applicants, developments within these CCAA proceedings, and the relief being sought by the Applicants in connection with this application.
4. The Applicants have been working with their legal counsel, Goodmans LLP (“**Goodmans**”), and NNPC to explore and advance potential options for a comprehensive, value-maximizing restructuring solution. In this regard, NNPC and Goodmans are working on behalf of the Applicants to advance two parallel paths: (i) the Plan / Restructuring Path, and (ii) the Transaction Path.
5. In furtherance of the Transaction Path, NNPC and Goodmans were instructed by the Applicants to take the lead on efforts to develop a proposed sale and investment solicitation process (the “**SISP**”) intended to enable a broad canvassing of the market to identify potential transactions in respect of the Sunterra Group or its businesses that would maximize value for the benefit of all stakeholders.
6. The SISP, as described in further detail below, provides a comprehensive, two-phase process designed to solicit interest in, and opportunities for, Investment Proposals and Sale Proposals (each as defined below) in respect of the Sunterra Group or its businesses. Initial non-binding letters of intent are to be submitted by June 25, 2026, with binding offers to follow by a date to be determined in accordance with the SISP and communicated to parties.
7. NNPC and Goodmans have engaged with FTI Consulting Canada Inc., in its capacity as monitor of the Applicants (the “**Monitor**”) and the key stakeholders as part of developing the SISP, including National Bank of Canada (“**NBC**”), Farm Credit Canada (“**FCC**”), and Compeer Financial, PCA (“**Compeer**”), in an effort to facilitate stakeholder support. These discussions have included, among other things, consultation with the Monitor, NBC, FCC and Compeer on the engagement of a sale advisor. As discussed further below, as a result of these efforts, KPMG Corporate Finance Inc. (“**KPMG**”) has been selected to act as the sale advisor in connection with the SISP (the “**Sale Advisor**”).
8. After careful consideration of stakeholder interests, among other factors, the Applicants are proceeding with a SISP that they believe appropriately balances the interests of all

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parties and is appropriately structured to ensure a thorough canvassing of the market and a competitive process.

9. As part of this application the Applicants are also seeking Court approval of the appointment of NNPC as the Chief Restructuring Advisor of the Applicants (in such capacity, if appointed, the “**Chief Restructuring Advisor**”), with authority to oversee and advance restructuring solutions and possible sale, investment or refinancing alternatives, including the SISP. In accordance with the foregoing authority, it is proposed that the SISP will be led by NNPC, as the Chief Restructuring Advisor, with the assistance of the Sale Advisor, under the supervision of the Monitor.
10. Further, as described further below, the SISP provides that NBC, FCC and Compeer (collectively, the “**Consultation Stakeholders**”) are entitled to certain consultation rights, including the right to receive bi-weekly updates on the SISP, subject to certain conditions.
11. The SISP is a critical step in furtherance of the Transaction Path and I believe that implementation of the SISP will advance the Applicants’ overall restructuring efforts. I am not aware of any prejudice to creditors that would result from implementation of the SISP.
12. In connection with the foregoing, the Applicants are seeking:
  - (a) an Order (the “**SISP Approval Order**”), among other things, approving the SISP, which is attached Schedule “A” to the SISP Approval Order, and authorizing the Chief Restructuring Advisor to commence the SISP, with the assistance of the Sale Advisor, under the supervision of the Monitor and, where applicable, in consultation with the Applicants and the Consultation Stakeholders; and
  - (b) an Order (the “**Second ARIO**”) amending and restating the ARIO to, among other things,
    - (i) approve KPMG as the Sale Advisor in connection with the SISP;
    - (ii) authorize the Applicants to enter into an engagement letter with the Sale Advisor, with the consent of the Monitor, on terms substantially consistent with the terms described herein, and authorize the Applicants to pay the fees and expenses of the Sale Advisor, including, without limitation, the Work Fee and the Transaction Fee (each as defined below) (the “**Sale Advisor Fees**”);
    - (iii) grant a charge on the Property (as defined in the ARIO) (the “**Sale Advisor Charge**”) in favour of the Sale Advisor as security for the Sale Advisor Fees, which charge shall rank *pari passu* with the Administration Charge (as defined in the ARIO);
    - (iv) amend the Administration Charge to add the Chief Restructuring Advisor as a beneficiary of the Administration Charge;

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- (v) extend the Stay Period (as defined below) to and including October 30, 2026; and
  - (vi) grant certain additional amendments as described in the Affidavit of Arthur Price sworn February 20, 2026 (the “February Price Affidavit”).
13. This affidavit is sworn in support of the Applicants’ application seeking the foregoing relief.

## II. NNPC

14. NNPC is the professional corporation through which I provide consulting and advisory services. My professional experience includes over 20 years as a Partner at Ernst & Young Canada, based out of its Calgary office. From April 2020 to June 2024, I served as the practice leader of Ernst & Young Canada’s turnaround and restructuring services group. I am currently a Senior Advisor to Ernst & Young Canada.
15. My experience at Ernst & Young Canada includes acting as Court-appointed monitor, Court-appointed receiver, trustee in bankruptcy, and proposal trustee of numerous companies across multiple industries, including food, farm, and agricultural businesses. In these roles, I have gained extensive experience conducting and overseeing sale and investment solicitation processes.
16. I also previously served as the Chief Financial Officer of the Walton Group of Companies, a role which included providing deal advisory advice. I am presently the Chairman of the Board of Advisors of the Walton Group of Companies.
17. I hold several professional designations, including Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional, Licensed Insolvency Trustee, Chartered Business Valuator, and ICD.D Designation from the Institute of Corporate Directors. I hold professional memberships with the Insolvency Institute of Canada, as well as the Canadian Association of Restructuring and Insolvency Professionals. I am also a Fellow of the Insolvency Institute of Canada and a Fellow of the American College of Bankruptcy. I have a Bachelor of Commerce degree from the University of Saskatchewan.

## III. DEVELOPMENT OF THE SISP AND ENGAGEMENT OF THE SALE ADVISOR

### A. Stakeholder Engagement

18. Upon being engaged by the Applicants in late February 2026, NNPC, together with Goodmans, has undertaken extensive efforts, in consultation with the Applicants’ senior management, to advance next steps in furtherance of the Transaction Path, including the development of the SISP.
19. The Applicants and their advisors understood, and continue to believe, that the preferred path would be to pursue a sale process with the support of the Applicants’ key stakeholders.

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Accordingly, once the framework for the SISP was developed, NNPC and Goodmans, in coordination with the Monitor, initiated discussions with NBC, FCC and Compeer and their respective counsel regarding the SISP.

20. NNPC and Goodmans engaged in numerous discussions with NBC, FCC and Compeer and their respective counsel in order to discuss and engage on the terms of the SISP and understand their views. I believe that the Applicants, through the efforts of NNPC and Goodmans, have acted diligently and in good faith to incorporate the views of the key stakeholders, as determined appropriate by NNPC and Goodmans, and that the terms of the SISP are reflective of the extensive stakeholder engagement undertaken by NNPC and Goodmans on behalf of the Applicants.

**B. The Sale Advisor**

21. NNPC and Goodmans consulted with NBC, FCC and Compeer on the engagement of a sale advisor. The Applicants believe, and I agree, that the engagement of a sale advisor is necessary and appropriate in the circumstances in order to maximize value. In particular, I believe that a dedicated sale advisor will bring specialized expertise in marketing assets and conducting competitive sale processes and will allow for an effective canvassing of the market. The Chief Restructuring Advisor and the Monitor will provide oversight, while the day-to-day execution of the SISP will benefit from being carried out by a sale advisor.
22. After careful consideration, including considering the views and comments of the applicable stakeholders, NNPC recommended to the Applicants and the stakeholders, the engagement of KPMG as the Sale Advisor, subject to Court approval.
23. KPMG is a nationally recognized corporate finance advisory firm with extensive experience in mergers and acquisitions and sale processes. KPMG has particular expertise in conducting sale and investment solicitation processes in the context of CCAA proceedings and has acted as sale advisor in numerous insolvency proceedings across Canada. KPMG's experience includes advising on complex transactions across a variety of industries, including agriculture and agri-business. I believe that KPMG's qualifications and experience make it well-suited to serve as Sale Advisor in connection with the SISP.
24. KPMG is currently engaged by a non-applicant affiliate of the Sunterra Group in respect of sale efforts involving that entity, and has worked with certain management of the Applicants as part of this process.
25. The Applicants and KPMG have agreed that KPMG shall be entitled to payment of a work fee of \$60,000 per month (the "**Work Fee**"). KPMG shall also be entitled to a standard market percentage transaction fee on completion of any transaction under the SISP (the "**Transaction Fee**"), which shall be a minimum of \$500,000. 50% of the Work Fees paid are to be credited against the Transaction Fee. I understand that the Monitor, NBC, FCC and Compeer support the selection of KPMG and the KPMG fee structure.

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26. NNPC engaged with several potential sale advisors, reviewed their qualifications, and obtained fee proposals. This information was essential for identifying KPMG as the right sale advisor and agreeing to an appropriate fee structure with KPMG.
27. I have been coordinating with the KPMG team on certain preliminary matters in order for KPMG to be in a position to advance the SISP as soon as possible in the event that Court approval is granted pursuant to the SISP Approval Order. KPMG has also been consulted on the terms of the SISP.

#### C. Preliminary Steps

28. NNPC and Goodmans have begun taking preliminary steps to put the necessary building blocks in place so that the SISP can be advanced expeditiously following the issuance of the SISP Approval Order, if granted by the Court. These preliminary steps include, among other things: (i) preparing a draft form of non-disclosure agreement for execution by prospective bidders; (ii) collecting financial, operational and other relevant documents and information pertaining to the Applicants' businesses and assets; and (iii) beginning to populate a data room to facilitate the due diligence efforts of prospective bidders.
29. In addition, since the selection of KPMG as the Sale Advisor, there has been regular and ongoing dialogue amongst NNPC, Goodmans and KPMG to familiarize KPMG with the Applicants' businesses, assets and financial circumstances, and enable KPMG to prepare for commencing the SISP. This coordination has included providing KPMG with the information and materials needed for KPMG to begin preparing a sale process timeline, the teaser letter, the confidential information memorandum and a comprehensive list of potential bidders and investors. KPMG has also been discussing financial and operational matters with senior management of the Applicants.

#### IV. THE SISP

30. Any capitalized terms used in this section and not otherwise defined herein have the meanings given to them in the SISP.
31. The SISP is intended to solicit interest in, and opportunities for (i) one or more transactions in respect of an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Sunterra Group or the business operations of the Sunterra Group (collectively, the "**Business**"); and/or (ii) one or more sale transactions in respect of all, substantially all, or certain of the Property and/or the Business.
32. The SISP will allow for a broad range of bids to be considered. Specifically, bids to be considered pursuant to the SISP may include:
  - (a) one or more bids in respect of an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Business as a going concern, including by way of a plan of compromise or arrangement pursuant to the CCAA ("**Investment Proposals**");

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- (b) one or more bids in respect of a of a sale of all, substantially all, or certain of the assets, property and undertakings of the Sunterra Group or the Business (“**Sale Proposals**”); and
- (c) one or more bids combining an Investment Proposal and/or a Sale Proposal.
33. Each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor may, in its discretion and as it deems appropriate in the circumstances, consult with the Applicants in respect of all matters relating to the SISP and the conduct and implementation thereof, subject to any limitations or restrictions imposed by the Chief Restructuring Advisor or the Monitor.
34. As referenced above, each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor may also, in its discretion and as it deems appropriate in the circumstances, consult with each of the Consultation Stakeholders (being NBC, FCC and Compeer) in connection with SISP, and the Chief Restructuring Advisor shall, if and as determined appropriate by the Chief Restructuring Advisor or the Monitor, provide an update on the SISP to the Consultation Stakeholders every second week or as otherwise determined by the Chief Restructuring Advisor and the Monitor, provided that, prior to being entitled to any information and/or consultation rights under the SISP, each Consultation Stakeholder shall have (i) entered into a confidentiality agreement, in form and substance acceptable to the Chief Restructuring Advisor, in consultation with the Applicants, the Sale Advisor and the Monitor, and (ii) confirmed in writing to the Chief Restructuring Advisor, the Sale Advisor and the Monitor that it will not be a Potential Bidder or otherwise seek to participate in the SISP (whether as financing provider or otherwise), without the prior written consent of the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor. Each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor shall have all rights to cease any consultation pursuant hereto as it may deem appropriate at any time to the extent it believes it is not in the best interests of the SISP to provide any information or documents at any particular time.
35. The material terms of the SISP are summarized in the table below:

<b>Summary of Certain Key Terms of the SISP</b>	
Conduct	The SISP shall be conducted by the Chief Restructuring Advisor with the assistance of the Sale Advisor under the supervision of the Monitor and, where applicable pursuant to the terms of the SISP, in consultation with the Applicants and the Consultation Stakeholders. The Monitor will oversee, in all respects, the conduct of the SISP by the Chief Restructuring Advisor with the assistance of the Sale Advisor and shall be entitled to receive all information in relation to the SISP. As soon as reasonably practicable following the granting of the SISP Approval Order, the Sale Advisor shall, in consultation with the Chief Restructuring Advisor, the Monitor and the Applicants (to the extent determined appropriate by the Chief Restructuring Advisor or the Monitor), among other things: (i) prepare a teaser letter describing the opportunity, outlining the process under the SISP and inviting recipients to express their interest in the Property or Business pursuant to the SISP; (ii) prepare a confidential information memorandum (including preparing more than one confidential information memorandum to address separate lines of the Business or portions of the Property); (iii) prepare a form of non-disclosure agreement (“NDA”); (iv) establish a secure

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<b>Summary of Certain Key Terms of the SISP</b>	
	<p>electronic data room; (v) prepare a list of known potential bidders (including parties that have approached the Applicants, the Chief Restructuring Advisor, the Sale Advisor or the Monitor, and local and international strategic and financial parties that the Sale Advisor, in consultation with the Chief Restructuring Advisor, the Applicants and the Monitor, believes may be interested in the opportunity); (vi) cause a notice of the SISP to be published in newspapers and/or industry publications; and (vii) send the teaser letter and non-disclosure agreement to all known potential bidders and to any other party who requests copies.</p>
Process and Timeline	<ul style="list-style-type: none"> <li>• <b>Phase 1 Bid Deadline</b> – In order to participate in the SISP, interested parties must enter into an NDA with the Applicants and indicate which Property or Business such party may be interested in (each such party, a “<b>Phase 1 Qualified Bidder</b>”), provided that the Applicants and any related party of any of the Applicants shall be permitted to participate in the SISP, and in such circumstance the Applicants shall be deemed to be Phase 1 Qualified Bidders without the need to comply with the foregoing requirements (provided that any bids submitted by the Applicants or their related parties must otherwise be submitted in accordance with the SISP). If any of the Applicants or their related parties participate in the SISP, none of the Applicants will be entitled to receive any other offers or bids related to the Property submitted by any third parties. Phase 1 Qualified Bidders must deliver an executed, non-binding letter of intent (an “<b>LOI</b>”) identifying such bidder’s interest in each specific Property or Business to the Sale Advisor not later than 5:00 p.m. (Calgary Time) on June 25, 2026, as may be extended by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “<b>Phase 1 Bid Deadline</b>”).</li> <li>• <b>Phase 2 Qualified Bidders</b> – Following the Phase 1 Bid Deadline, the Chief Restructuring Advisor, in consultation with the Sale Advisor and Monitor, shall determine which LOIs meet the criteria set out below and are “<b>Phase 1 Qualified Bids</b>” (provided that the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive compliance with any one or more of the requirements for a Phase 1 Qualified Bid and deem any such non-compliant LOI to be a Phase 1 Qualified Bid). The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, shall determine which LOIs constitute Phase 1 Qualified Bids and the parties submitting such Phase 1 Qualified Bids shall be deemed “<b>Phase 2 Qualified Bidders</b>”. Only Phase 2 Qualified Bidders shall be permitted to proceed to the second phase of the SISP.</li> <li>• <b>Phase 2 Bid Deadline</b> – A Phase 2 Qualified Bidder that wishes to make a final and binding Sale Proposal or Investment Proposal shall submit a binding offer (a “<b>Binding Offer</b>”) by the date determined by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “<b>Phase 2 Bid Deadline</b>”), which deadline shall be set out in the Phase 2 Process Letter that will be delivered to parties. The Chief Restructuring Advisor, in consultation with the Sale Advisor and Monitor, will identify the success bid(s) (each, a “<b>Successful Bid</b>”) and successful bidder(s) (each, a “<b>Successful Bidder</b>”).</li> </ul>
Requirements for Phase 1 Qualified Bids	<p>An LOI will only be considered a Phase 1 Qualified Bid if it, among other things:</p> <ul style="list-style-type: none"> <li>• Has been duly executed and received by the Phase 1 Bid Deadline, and indicates whether the Phase 1 Qualified Bidder is making a Sale Proposal, an Investment Proposal, or a combination thereof;</li> <li>• In the case of a Sale Proposal, it identifies: (i) the purchase price or price range, assumptions supporting the valuation and the anticipated amount of cash payable on closing, (ii) the contemplated purchase price adjustments, (iii) a description of the specific Property, (iv) the liabilities and obligations to be excluded, and (v) other material terms;</li> </ul>

<b>Summary of Certain Key Terms of the SISP</b>	
	<ul style="list-style-type: none"> <li>• In the case of an Investment Proposal, it identifies: (i) the aggregate amount of the equity and/or debt investment to be made in the Sunterra Group or the Business and the key assumptions supporting the valuation, (ii) a description of the structure of the proposed investment, restructuring, recapitalization, refinancing or reorganization, (iii) the underlying assumptions regarding the <i>pro forma</i> capital structure, (iv) the liabilities and obligations to be excluded, and (v) other material terms;</li> <li>• Contains evidence of the financial wherewithal and the ability to consummate the transaction;</li> <li>• Identifies the proposed conditions to closing, including any internal, regulatory or third party approvals;</li> <li>• Identifies the Phase 1 Qualified and representatives thereof who are authorized to appear and act on behalf of the Phase 1 Qualified Bidder regarding the contemplated transaction, provides the details of the Phase 1 Qualified Bidder's ownership, discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the LOI, and indicates whether any person referenced is a direct or indirect shareholder, equity holder, director, officer, member of the senior management team of, or otherwise a related party to, any of the Applicants; and</li> <li>• Provides an outline of the additional due diligence required to be conducted in order to submit a binding offer.</li> </ul> <p>As referenced above, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive compliance with any one or more of the requirements for a Phase 1 Qualified Bid and deem any non-compliant LOI to be a Phase 1 Qualified Bid. If it is determined by the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, that no LOI constitutes a Phase 1 Qualified Bid, the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, may determine to extend the Phase 1 Bid Deadline and continue the SISP, terminate the SISP, or direct the Sunterra Group to seek further direction from the Court.</p>
Requirements for Phase 2 Qualified Bids	<p>A Binding Offer will only be considered a "Phase 2 Qualified Bid" if it, among other things:</p> <ul style="list-style-type: none"> <li>• Has been duly executed and received by the Phase 2 Bid Deadline;</li> <li>• Complies with the requirements to be a Phase 1 Qualified Bid;</li> <li>• Is a Binding Offer to (i) purchase all, substantially all, or a portion of the Property of Business; or (ii) make an investment in, recapitalize, reorganize or refinance the Sunterra Group or the Business;</li> <li>• Identifies the executory contracts that will be assumed and describes how defaults will be remedied;</li> <li>• Is not conditional upon the outcome of unperformed due diligence or obtaining financing;</li> <li>• Includes acknowledgments that the bidder has had opportunity for due diligence and relied solely on its own independent review;</li> <li>• Fully discloses identity of each entity entering into, participating in or benefiting from the transaction or financing;</li> <li>• Contains evidence of authorization and approval from the board of directors and/or shareholders, as applicable;</li> <li>• Provides written evidence of firm, irrevocable financial commitment for all required funding;</li> </ul>

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<b>Summary of Certain Key Terms of the SISP</b>	
	<ul style="list-style-type: none"> <li>• Demonstrates the capacity to close on or before the outside date determined by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “<b>Outside Date</b>”), which date shall be set out in the Phase 2 Process Letter;</li> <li>• Is accompanied by a letter confirming the Binding Offer is irrevocable until the earlier of (a) closing of the Successful Bid, and (b) the Outside Date;</li> <li>• Is accompanied by a cash deposit of not less than 10% of the cash purchase price or total new investment (to be held in trust by the Monitor); and</li> <li>• Contains an agreement that the Phase 2 Qualified Bidder, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a backup bidder in the event the Successful Bidder fails to close.</li> </ul> <p>The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem any non-compliant Binding Offer to be a Phase 2 Qualified Bid.</p>
Evaluation and Selection of Successful Bid	<p>Binding Offers will be evaluated based upon several factors, including: proposed purchase price or consideration, net value and form of consideration, conditions attached to the bid, nature and extent of the representations and warranties, factors affecting the speed, certainty and value of the transaction, likelihood and timing of consummating the transaction, and the bidder’s ability to finance and consummate the transaction by the Outside Date. If it is determined by the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, that no Binding Offer constitutes a Phase 2 Qualified Bid, the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and the Consultation Stakeholders, may determine to extend the Phase 2 Bid Deadline and continue the SISP, terminate the SISP, or direct the Sunterra Group to seek further direction from the Court.</p> <p>The Chief Restructuring Advisor, in consultation with the Sale Advisor and Monitor, will identify the Successful Bid(s) and Successful Bidder(s). The Chief Restructuring Advisor may select: (a) a single Successful Bid for all or substantially all of the Property and Business; or (b) different Successful Bids for a portion or subset of the Property or Business. The Chief Restructuring Advisor has no obligation to select a Successful Bid and, subject to consultation with the Sale Advisor and the Monitor, reserves the right to reject any or all Phase 2 Qualified Bids.</p> <p><u>Auction</u></p> <p>If two or more Phase 2 Qualified Bids are received, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may proceed with an auction (the “<b>Auction</b>”) to determine the Successful Bid. Upon determination to proceed with the Auction, the Sale Advisor shall provide written notice to each Phase 2 Qualified Bidder, along with copies of all Phase 2 Qualified Bids (on a confidential basis), identifying the leading bid and start date of the Auction.</p> <p><u>Backup Bid</u></p> <p>The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may designate one or more Phase 2 Qualified Bids as backup bids (each, a “<b>Backup Bid</b>”).</p>
Court Approval	<p>The selection of any Successful Bid shall be subject to approval by the Court. At such hearing, the Applicants shall seek approval to consummate any Successful Bid(s) and, failing consummation, approval to consummate any Backup Bid(s).</p>
Alternative Transaction	<p>Notwithstanding anything else contained in the SISP, the Chief Restructuring Advisor, after consulting with the Monitor and any consultation with the Consultation Stakeholders in accordance with the terms of the SISP, may at any time during the SISP propose a pre-emptive transaction, stalking-horse sale transaction, refinancing transaction or other restructuring transaction, and bring forward such transaction for Court approval.</p>

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<b>Summary of Certain Key Terms of the SISP</b>	
Deposit	As referenced above, it is a requirement for Phase 2 Qualified Bids be accompanied by a cash deposit of not less than 10% of the cash purchase price or total new investment (to be held in trust by the Monitor). Any deposit delivered with a Phase 2 Qualified Bid that is not selected as a Successful Bid(s) or Backup Bid(s) will be returned to the applicable bidder within 10 business days of the date on which the Successful Bid is approved by the Court, or such earlier date as may be determined by the Monitor, in consultation with the Chief Restructuring Advisor and the Sale Advisor. Any deposit delivered in respect of a Backup Bid will returned to the applicable bidder within 10 business days of the date on which the Successful Bid is consummated.
Amendments	The Chief Restructuring Advisor, in consultation with the Sale Advisor, shall have the right to modify the SISP with the prior written approval of the Monitor if such modification will enhance the process or better achieve its objectives.
Board Approval Required	Nothing in the SISP shall be construed to authorize the Chief Restructuring Advisor to (i) exercise any powers properly exercised by a board of directors or any officer of the Applicants, (ii) eliminate or modify any requirement for any approval by a board of directors of the Applicants with respect to any actions taken by the Chief Restructuring Advisor, or (iii) authorize the Chief Restructuring Advisor to contract, bind or settle any claims of the Applicants in any manner without the Applicants' prior written consent.

36. I believe that it is appropriate at this time and in the interests of the Applicants and their stakeholders to proceed with the SISP to seek to identify a potential going-concern sale or restructuring transaction that would maximize the value of the Applicants' businesses.

## V. SECOND ARIO

37. Pursuant to the proposed Second ARIO, the Applicants are seeking certain of the relief discussed in the February Price Affidavit, including amendments to the Administration Charge to confirm that Goodmans is a beneficiary of the Administration Charge, the addition of a clarifying provision regarding no party being permitted to assert rights of set-off in respect of any obligations owing before the commencement of these CCAA proceedings without an order of the Court, as well as the relief described below.

### A. Extension of the Stay Period

38. The stay of proceedings granted by the Initial Order in favour of the Applicants, their business and property currently expires on May 1, 2026 (the "Stay Period"). The Applicants are requesting an extension of the Stay Period pursuant to the Second ARIO to and including October 30, 2026.
39. The proposed extension of the Stay Period is necessary in order to maintain the status quo and continued stability while the Applicants, through NNPC and their other advisors, concurrently advance the Plan / Restructuring Path and the Transaction Path in pursuit of a comprehensive restructuring solution. Regarding the Transaction Path, the extension of the Stay Period is required to provide sufficient time for the implementation of the SISP. An extension of the Stay Period to and including October 30, 2026 will enable the receipt

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and evaluation of Phase 1 Qualified Bids and will also provide sufficient time thereafter to further advance the SISP based on the Phase 2 Bid Deadline, which, as referenced above, is to be determined in accordance with the terms of the SISP. As for the Plan / Restructuring Path, NNPC and Goodmans have been discussing with the key stakeholders and the Monitor potential structures and alternatives for a framework of a restructuring plan and the satisfaction of claims against the Sunterra Group. The requested extension of the Stay Period will enable these discussion to continue to advance.

40. The requested extension of the Stay Period will also enable NNPC to advance various other key matters in furtherance of the Applicants' restructuring efforts. Among other matters, NNPC and the Monitor have met with Signature Pointe Developments Inc. ("SPDI"), which, with Sunterra Enterprises Inc., owns West Market Square Inc. ("WMS"), a non-applicant entity, to address matters regarding WMS. WMS owns the commercial property located at 1851 Sirocco Drive S.W., Calgary, Alberta, T3H 4R5, and is a sublandlord of a shopping facility. The extension of the Stay Period will provide NNPC and the Monitor with the opportunity to continue to engage with SPDI in an effort to address matters regarding WMS on a commercial basis.
41. I understand that the Monitor will be filing an updated cash flow forecast in connection with this application, and that such cash flow forecast will show that the Applicants have sufficient liquidity to operate through the requested extended Stay Period.
42. I believe that the Applicants have acted and continue to act in good faith and with due diligence, and I do not believe that any creditor or stakeholder will suffer any material prejudice as a result of the proposed extension of the Stay Period.

**B. Amendments to the Administration Charge**

43. The Court granted the Administration Charge pursuant to the Initial Order to secure the payment of the professional fees and disbursements of the Monitor, counsel to the Monitor, Harris & Partners Inc., as the proposal trustee, and its counsel, Hawco Peters and Associates Inc., and counsel to the Applicants, incurred both before and after the granting of the Initial Order. The Administration Charge was maintained pursuant to the ARIO.
44. Pursuant to the Second ARIO, the Applicants are requesting amendments to the Administration Charge to:
  - (a) confirm that Goodmans is a beneficiary of the Administration Charge; and
  - (b) add the Chief Restructuring Advisor as a beneficiary of the Administration Charge in respect of its monthly fee and disbursements payable to the Chief Restructuring Advisor pursuant to the engagement letter between NNPC and the Applicants.

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**C. Approval of Sale Advisor and the Sale Advisor Charge**

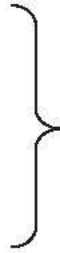
45. Pursuant to the Second ARIO, the Applicants are seeking approval of KPMG as the Sale Advisor in connection with the SISP, as well as authorization for the Applicants to enter into an engagement letter with the Sale Advisor, with the consent of the Monitor, on terms substantially consistent with the terms described herein and to pay the Sale Advisor Fees.
46. In addition, the Applicants are requesting that the Court grant the Sale Advisor Charge on the Property as security for the Sale Advisor Fees. The Sale Advisor Charge is proposed to rank *pari passu* with the Administration Charge, with the Directors' Charge (as defined in the ARIO) ranking behind both charges.
47. The Applicants believe, and I agree, that the engagement of KPMG as the Sale Advisor in connection with the SISP, as well as the related relief, including the granting of the Sale Advisor Charge, is in the best interests of the Applicants and their stakeholders. As discussed above, the Applicants, through NNPC and Goodmans, have undertaken significant efforts to consult with the Monitor and the key stakeholders on the engagement of KPMG on the terms described herein.

**VI. CONCLUSION**

48. I believe that the Applicants have been working diligently and in good faith to advance matters in these CCAA proceedings. Following extensive engagement with key stakeholders, led by NNPC and Goodmans, the Applicants have determined that approval of the proposed SISP and the engagement of KPMG as Sale Advisor is appropriate in the circumstances and is in the best interests of the Applicants and their stakeholders. The SISP, which will be led by NNPC, as proposed Chief Restructuring Advisor, with the assistance of the Sale Advisor and under the supervision of the Monitor, will provide a fair process for soliciting interest in, and opportunities for value-maximizing transaction proposals in respect of the Applicants and their businesses and assets.
49. I believe that the relief being requested by the Applicants in their application, including the SISP Approval Order and the Second ARIO, is in the best interests of the Applicants and their stakeholders in the circumstances.
50. This affidavit was sworn using video technology. The affiant was not physically present before the commissioner but was linked to the commissioner utilizing video technology in accordance with the process for remote commissioning of affidavits set out in the Notice

to the Profession & Public Notice: Remote Commissioning of Affidavits For Use in Civil and Family Proceedings During the COVID-19 Pandemic.

SWORN before me by  
videoconference with the affiant at the  
Municipality of Invermere, in the  
Province of British Columbia, and the  
commissioner at the City of Toronto,  
in the Province of Ontario, on  
April 21, 2026



A Commissioner for taking affidavits  
in the Province of Ontario

Andrew Harmes LSO#73221A

1404-7382-5053

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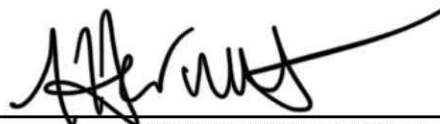
NEIL NARFASON

**CERTIFICATE OF COMMISSIONER**

I, Andrew Harmes, a partner with Goodmans LLP, of the City Toronto, in the Province of Ontario, do hereby certify that:

1. On April 21, 2026, I was present by video technology and did see the affiant, Neil Narfason (the “**Affiant**”), swear and sign the Affidavit annexed hereto;
2. The Affiant showed me the front and back of his current government-issued photo identification and I have taken a screenshot of same;
3. I have compared the video image of the Affiant and information on the said photo identification, and believe it to be the same person and that the photo identification is valid and current;
4. Both the Affiant and I had a copy of the Affidavit, including all exhibits, before us while connected via video technology. The Affiant and I reviewed each page of our respective copy of the Affidavit, including the exhibits together, and verified that they are identical and have initialed each page in the lower right corner;
5. The Affidavit was sworn and signed by the Affiant at the Municipality of Invermere, in the Province of British Columbia;
6. The steps taken by myself as Commissioner follows the process for remote commissioning of affidavits as set out in the Notice to the Profession & Public – Remote Commissioning, issued by the Court of King’s Bench of Alberta on March 25, 2020.

**DATED** on the 21<sup>st</sup> day of April, 2026 in the City of Toronto, in the Province of Ontario



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ANDREW HARMES