

JS - Apr 28, 2026



Clerk's Stamp: [ ]

COURT FILE NO. 2501-06120

COURT COURT OF KING'S BENCH OF ALBERTA SH

JUDICIAL CENTRE CALGARY C40979 \$100.00

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 **APPLICATION (SECOND ARIO, SISP APPROVAL ORDER AND CHIEF RESTRUCTURING ADVISOR APPOINTMENT ORDER)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Goodmans LLP**  
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333 Bay Street, Suite 3400  
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Attn: Robert J. Chadwick / Caroline Descours / Andrew Harmes / Gurratan Gill  
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## NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

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

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

Date: April 28, 2026

Time: 9:30 a.m.

Where: Virtual Courtroom

Virtual Courtroom Link: <https://albertacourts.webex.com/meet/virtual.courtroom28>

### Instructions for Connecting to the Meeting

1. Click on the link above or open Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the Open Cisco Webex Meeting.
4. You will see a preview screen. Click on Join Meeting.

Before: The Honourable Justice M.J. Lema

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

## REMEDY SOUGHT:<sup>1</sup>

1. The Applicants<sup>2</sup> are seeking the following Orders pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"):
  - (a) an Order substantially in the form attached hereto as Schedule A (the "**Chief Restructuring Advisor Appointment Order**"), among other things, appointing Neil Narfason Professional Corporation ("**NNPC**") as the Court-appointed Chief Restructuring Advisor of the Applicants (in such capacity, the "**Chief Restructuring Advisor**") and granting certain authorizations in favour of the Chief Restructuring Advisor;

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<sup>1</sup> Unless otherwise stated, capitalized terms used but not defined herein have the meanings given to them in the affidavit of Arthur Price sworn April 21, 2026 (the "**Price Affidavit**") or the affidavit of Neil Narfason sworn April 21, 2026 (the "**Narfason Affidavit**"), as applicable.

<sup>2</sup> The Applicants are Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd. ("**Sunterra Farms**"), Sunwold Farms Limited ("**Sunwold Farms**"), Sunterra Beef Ltd., Lariagra Farms Ltd., Sunterra Farm Enterprises Ltd. and Sunterra Enterprises Inc. ("**Sunterra Enterprises**").

- (b) an Order substantially in the form attached hereto as Schedule B (the “**SISP Approval Order**”), among other things:
  - (i) approving the sale and investment solicitation process (the “**SISP**”) attached as Schedule A to the SISP Approval Order; and
  - (ii) authorizing the Chief Restructuring Advisor to commence the SISP, with the assistance of the Sale Advisor, under the supervision of the Monitor (as defined below) and, where applicable, in consultation with the Applicants and the Consultation Stakeholders (as defined below); and
  
- (c) an Order substantially in the form attached hereto as Schedule C (the “**Second ARIO**”) amending and restating the Amended and Restated Initial Order of this Court granted on April 28, 2025 (the “**ARIO**”) to, among other things:
  - (i) approve KPMG Corporate Finance Inc. (“**KPMG**”) as the sale advisor (in such capacity, 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 in the Narfason Affidavit, and authorize the Applicants to pay the fees and expenses of the Sale Advisor (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 thereto in respect of its monthly fee and disbursements;
  - (v) extend the Stay Period (as defined below) to and including October 30, 2026; and
  - (vi) grant certain additional amendments.

## **GROUND FOR MAKING THIS APPLICATION:**

### **Background**

2. The Applicants are members of a diversified group of related companies ultimately owned and operated by the Price family (the “**Sunterra Group**”). The Sunterra Group operates several businesses across multiple sectors of the agricultural and food distribution industries.
3. On April 22, 2025, the Applicants commenced these proceedings under the CCAA and obtained an Initial Order from this Court, among other things, (i) appointing FTI Consulting Canada Inc. as monitor of the Applicants (the “**Monitor**”), and (ii) granting a

stay of proceedings in respect of the Applicants, their business and property until April 28, 2025 (the “**Stay Period**”). The Stay Period has since been extended by certain Orders of this Court and was most recently extended to May 1, 2026.

4. The Applicants commenced these CCAA proceedings to stabilize their operations and to evaluate and advance potential options and alternatives that would enable repayment of certain of the secured funded debt obligations of the Applicants in light of certain events and disputes with applicable lenders. The primary secured lenders of the Applicants are National Bank of Canada (“**NBC**”) and Farm Credit Canada (“**FCC**”).
5. On January 27, 2026, the Court issued a decision (the “**Banking Claims Decision**”) in respect of certain claims of Compeer Financial, PCA (“**Compeer**”), consisting of (i) judgment against Sunterra Farms, Sunwold Farms and Ray Price, and (ii) judgment against Sunterra Enterprises.
6. In light of the Banking Claims Decision, the Applicants re-evaluated the projected path of these proceedings. The Applicants retained Goodmans LLP (“**Goodmans**”) as counsel and NNPC as restructuring advisor pursuant to the ARIO to assist in exploring and advancing potential options for a comprehensive, value-maximizing restructuring solution. The Applicants believe that there are two principal paths that can be advanced concurrently in order to maximize value for stakeholders:
  - (a) Plan / Restructuring Path: Development and negotiation of stakeholder transaction support agreements, a plan or plans of compromise or arrangement, or other similar restructuring or reorganization transactions, including settlement agreements between the parties.
  - (b) Transaction Path: Advancement of a court-approved sale, investment, or refinancing transaction as part of an overall group transaction, various asset transactions, or certain limited transactions to support a restructuring.
7. NNPC and Goodmans have been working diligently to evaluate and advance next steps in furtherance of advancing the Plan / Restructuring Path and the Transaction Path in parallel, and have been actively pursuing discussions and negotiations with the Monitor and key stakeholders, including NBC, FCC and Compeer (collectively, the “**Consultation Stakeholders**”).
8. In connection with the foregoing, the Applicants now seek the Chief Restructuring Advisor Appointment Order, the SISP Approval Order and the Second ARIO.

#### **Appointment of NNPC as Chief Restructuring Advisor**

9. The Applicants retained NNPC as restructuring advisor in accordance with the ARIO to provide the Applicants with support, advice and assistance in connection with evaluating and implementing strategic options and alternatives in respect of potential restructuring options. NNPC’s principal, Neil Narfason, is a well-respected corporate financing, insolvency and restructuring practitioner, with extensive experience in complex court-supervised restructurings.

10. The Applicants have instructed NNPC and Goodmans to lead negotiations with relevant stakeholders concerning the Applicants' restructuring initiatives and believe that the Court-appointment of NNPC as Chief Restructuring Advisor will facilitate NNPC's efforts.
11. Accordingly, the Applicants are seeking the Chief Restructuring Advisor Appointment Order, which provides for, among other things:
  - (a) the appointment of NNPC as the Court-appointed Chief Restructuring Advisor pursuant to the terms of the engagement letter entered into among the Applicants and NNPC (the "**Chief Restructuring Advisor Engagement Letter**"), with, among other things, sole and exclusive authority to oversee and advance possible restructuring solutions and sale, investment or refinancing alternatives, including, without limitation, the SISP;
  - (b) certain protections in favour of the Chief Restructuring Advisor, including that the Chief Restructuring Advisor and any Consultant shall not be deemed to be directors, officers, or employees of any of the Applicants, shall not be deemed to be in possession of any Property within the meaning of any environmental legislation, and shall be granted a stay of proceedings; and
  - (c) the approval of payments to the Chief Restructuring Advisor pursuant to the Chief Restructuring Advisor Engagement Letter, including payment of its monthly fee and reimbursement of reasonable out-of-pocket expenses and disbursements, and a discretionary bonus (subject to Court approval and following consultation with the Monitor and stakeholders).

### **Approval of the SISP**

12. The Applicants believe that it is appropriate at this time and in the interests of all stakeholders to proceed with the SISP, the terms of which were developed by NNPC and Goodmans, following consultation with the Monitor the Consultation Stakeholders. The SISP is a comprehensive sale and investment solicitation process which:
  - (a) is designed to solicit interest in, and opportunities for, (i) one or more investment, restructuring, recapitalization, refinancing or other reorganization transactions in respect of the Sunterra Group or its businesses, and/or (ii) one or more sale transactions in respect of all, substantially all, or certain of the property and/or business of the Sunterra Group;
  - (b) will be conducted by the Chief Restructuring Advisor, with the assistance of the Sale Advisor and under the supervision of the Monitor, each of which may consult with the Consultation Stakeholders; and
  - (c) is a two-phase process, with a Phase 1 Bid Deadline of June 25, 2026, following which qualified bidders will be invited to submit binding offers by the Phase 2 Bid Deadline (which shall be set out in the Phase 2 Process Letter that will be delivered to parties), and the selection of any successful bid(s) shall be subject to approval by this Court.

### **Amendments to the Administration Charge**

13. To secure the fees and disbursements payable to the Chief Restructuring Advisor pursuant to the Chief Restructuring Advisor Engagement Letter, the Applicants are requesting that the Administration Charge be amended pursuant to the proposed Second ARIO to add the Chief Restructuring Advisor as a beneficiary of the Administration Charge in respect of its monthly fee and disbursements.
14. Additionally, the Applicants are also seeking clarifying revisions to the Administration Charge to confirm that Goodmans is a beneficiary of the Administration Charge.

### **Approval of the Sale Advisor and the Sale Advisor Charge**

15. Pursuant to the proposed 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 in the Narfason Affidavit, and authorization to pay the Sale Advisor Fees.
16. As security for the Sale Advisor Fees, the Applicants are requesting that the Court grant the Sale Advisor Charge on the Property. 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.

### **Extension of the Stay Period**

17. The Stay Period currently expires on May 1, 2026. The Applicants are requesting an extension of the Stay Period pursuant to the proposed Second ARIO to and including October 30, 2026.
18. An extension of the Stay Period is required to maintain stability and the status quo 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. The extension of the Stay Period will also enable discussions regarding the Plan / Restructuring Path to advance.
19. The Monitor will file an updated cash flow forecast demonstrating that the Applicants have sufficient liquidity to operate through the requested extended Stay Period.
20. The Applicants believe that stakeholders will not be prejudiced by the proposed extension of the Stay Period.
21. The Applicants have acted and continue to act in good faith and with due diligence throughout these CCAA proceedings.

**Set-Off**

22. The Applicants are seeking amendments to the ARIO pursuant to the Second ARIO to clarify that, during the Stay Period, no party may assert rights of set-off in respect of any obligations owing before the commencement of these CCAA proceedings without an order of the Court.
23. This provision is required to ensure that the Applicants can continue to operate in the ordinary course and that no set-off rights will be exercised in a way that will disrupt the restructuring efforts of the Applicants.

**General**

24. Such further and other grounds as counsel may advise and this Court may permit.

**AFFIDAVIT OR OTHER EVIDENCE TO BE RELIED ON:**

25. The Price Affidavit;
26. The Narfason Affidavit;
27. The Seventh Report of the Monitor, to be filed; and
28. Such further and other materials or evidence as counsel may advise and this Court may permit.

**APPLICABLE RULES:**

29. *Alberta Rules of Court*, AR 124/2010.

**APPLICABLE ACTS AND REGULATIONS:**

30. The CCAA and this Court's equitable and statutory jurisdiction thereunder.
31. *Judicature Act*, R.S.A. 2000, c. J-2.
32. Such further and other Acts and regulations as counsel may advise and this Court may permit.

**HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:**

33. By virtual hearing before the Honourable Justice M.J. Lema on April 28, 2026 at 9:30 a.m. or as soon thereafter as counsel may be heard.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order the Court makes. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

**SCHEDULE A**  
**DRAFT CHIEF RESTRUCTURING ADVISOR APPOINTMENT ORDER**

[See attached.]

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2501-06120  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY  
IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, as amended

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

APPLICANT(S):

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

DOCUMENT

**CHIEF RESTRUCTURING ADVISOR**  
**APPOINTMENT ORDER**

CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT:

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[ggill@goodmans.ca](mailto:ggill@goodmans.ca)

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**  
**NAME OF JUDGE WHO MADE THIS  
ORDER:**  
**LOCATION OF HEARING:**

April 28, 2026  
\_\_\_\_\_  
Michael J. Lema  
\_\_\_\_\_  
Calgary, Alberta  
\_\_\_\_\_

UPON the Application of Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Beef Ltd., Lariagra

Farms Ltd., Sunterra Farm Enterprises Ltd., and Sunterra Enterprises Inc. (the “**Applicants**”), filed on April 21, 2026 (the “**Application**”); **AND UPON** having read the Affidavit of Arthur Price sworn April 21, 2026 (the “**Price Affidavit**”) and the Affidavit of Service of Andrew Harmes sworn April 21, 2026, filed; **AND UPON** having read the Seventh Report of the Monitor, FTI Consulting Canada Inc. (the “**Monitor**”); **AND UPON** hearing counsel for the Applicants, counsel for the Monitor, counsel for National Bank of Canada, counsel for Compeer Financial, PCA, and counsel for Farm Credit Canada, and such other parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

### **SERVICE AND DEFINITIONS**

1. The time for service of the Application is hereby abridged and deemed good and sufficient and this Application is properly returnable today.
2. Unless otherwise stated, any capitalized terms used and not defined herein shall have the meaning given to such terms in the Second Amended and Restated Initial Order of this Court dated March 4, 2026 (the “**Second ARIO**”).

### **APPOINTMENT OF CHIEF RESTRUCTURING ADVISOR**

3. Neil Narfason Professional Corporation (“**NNPC**”) is hereby appointed as the chief restructuring advisor of the Applicants (the “**Chief Restructuring Advisor**”) and the payment of the fees and expenses of the Chief Restructuring Advisor contemplated by the engagement agreement dated as of February 20, 2026 (the “**Chief Restructuring Advisor Engagement Letter**”), a copy of which is attached as Exhibit “B” to the Price Affidavit, is hereby approved, subject to the terms of the Chief Restructuring Advisor Engagement Letter.
4. The Chief Restructuring Advisor shall:
  - (a) be authorized to represent the Applicants and each of them in negotiations with third parties, including creditors and other stakeholders of the Applicants;
  - (b) have the sole and exclusive authority to oversee and advance possible restructuring solutions, including any Plan or any other similar restructuring or reorganization transaction (subject to Court approval, as applicable);

- (c) have the sole and exclusive authority to oversee and advance possible sale, investment or refinancing alternatives, including, without limitation, the SISP (as defined in the Price Affidavit) (subject to Court approval, as applicable);
- (d) be authorized to evaluate claims against the Applicants;
- (e) be authorized to consult with the Applicants and their counsel to seek any Court order or other relief which may be necessary or appropriate in order to convey the property and assets of the Applicants to a purchaser, or to implement a restructuring of the Applicants;
- (f) be authorized to communicate with and provide information to the Monitor and other stakeholders regarding the business and affairs of the Applicants, as may be reasonably requested, provided that in the case of information that the Chief Restructuring Advisor has been advised by the Applicants is confidential, the Chief Restructuring Advisor shall not provide such information to any stakeholder unless otherwise directed by this Court or on such terms as the Applicants may agree;
- (g) be authorized to consult with the Applicants and their counsel to seek any order or respond to any motion or application brought by any other person in the CCAA proceeding, on a basis consistent with the objectives of the CCAA process;
- (h) be authorized to take such other steps as are incidental to and necessary for the advancement of the CCAA proceeding and the Applicants' restructuring, sale, investment or refinancing efforts, and
- (i) report to the applicable boards of directors of the Applicants, provided that, with respect to the advancement of any sale, investment or refinancing alternatives, including, without limitation, the SISP, the Chief Restructuring Advisor shall also report to the Monitor or the Court, as applicable,

provided that, for greater certainty, nothing in this Order shall or shall be construed to (i) authorize the Chief Restructuring Advisor to 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 pursuant to subparagraphs 4(a) to 4(h) of this Order, provided, however, that the Chief Restructuring Advisor shall be permitted, in its sole and absolute discretion, to bring before the Court any matter regarding the SISP for which approval by the applicable board of directors has

been refused or withheld, or (iii) authorize the Chief Restructuring Advisor to contract for or bind the Applicants in any manner without the Applicants' express prior written consent.

5. In addition to the rights and protections afforded to the Chief Restructuring Advisor as an officer of this Court, none of the Chief Restructuring Advisor, any of its employees, directors, officers or shareholders, or any other Person employed or engaged by NNPC to provide services to the Applicants pursuant to the Chief Restructuring Advisor Engagement Letter (each, a "**Consultant**") shall be or be deemed to be a director, de facto director, officer, or employee of any of the Applicants unless consented to in writing by such Person and the Applicants.
6. Neither the Chief Restructuring Advisor nor any Consultant shall, as a result of the performance of their obligations and duties under this Order or the Chief Restructuring Advisor Engagement Letter, be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation; provided, however, that if the Chief Restructuring Advisor or any Consultant is nevertheless found to be in possession of any such Property, then the Chief Restructuring Advisor and/or such Consultant, as the case may be, shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; provided further, however, that nothing in this paragraph 6 shall exempt the Chief Restructuring Advisor and/or any Consultant from any duty to report or make disclosure imposed by a law incorporated by reference in Section 11.8(4) of the CCAA.
7. The Chief Restructuring Advisor shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order (including, without limitation, as a result of its appointment or the carrying out of the provisions of this Order) except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Chief Restructuring Advisor, as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired.
8. No action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Chief Restructuring Advisor, and all rights and remedies of any Person against or in respect of the Chief Restructuring Advisor are hereby stayed and suspended, except with the written consent of the Chief Restructuring Advisor and the Monitor or with leave of this Court on notice to the Applicants, the Monitor and the Chief Restructuring Advisor. Notice of any such applicant seeking leave of this Court shall be served upon the

Applicants, the Monitor and the Chief Restructuring Advisor at least seven (7) days prior to the return date of any such application for leave.

**GENERAL**

9. The Applicants, or any of them, the Monitor and/or the Chief Restructuring Advisor may, from time to time, apply to this Court to seek advice and directions in connection with this Order.
10. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
11. This Order and all of its provisions are effective as of 12:01 a.m. (Calgary time) on the date of this Order.

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Justice of the Court of King's Bench of Alberta

**SCHEDULE B**  
**DRAFT SISP APPROVAL ORDER**

[See attached.]

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2501-06120  
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SUNTERRA ENTERPRISES INC.

DOCUMENT

CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT:

**SISP APPROVAL ORDER**

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[ggill@goodmans.ca](mailto:ggill@goodmans.ca)

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**  
**NAME OF JUDGE WHO MADE THIS  
ORDER:**  
**LOCATION OF HEARING:**

April 28, 2026

Michael J. Lema  
Calgary, Alberta

UPON the Application of Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Beef Ltd., Lariagra Farms Ltd., Sunterra Farm Enterprises Ltd., and Sunterra Enterprises Inc. (the "**Applicants**"), filed on April

21, 2026 (the “**Application**”); **AND UPON** having read the Affidavit of Arthur Price sworn April 21, 2026, the Affidavit of Neil Narfason sworn April 21, 2026, and the Affidavit of Service of Andrew Harmes sworn April 21, 2026, filed; **AND UPON** having read the Seventh Report of the Monitor, FTI Consulting Canada Inc. (the “**Monitor**”); **AND UPON** hearing counsel for the Applicants, counsel for the Monitor, counsel for National Bank of Canada, counsel for Compeer Financial, PCA, and counsel for Farm Credit Canada, and such other parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

### **SERVICE AND DEFINITIONS**

1. The time for service of the Application is hereby abridged and deemed good and sufficient and this Application is properly returnable today.
2. Any capitalized terms used and not defined herein shall have the meaning given to such terms in the Amended and Restated Initial Order of this Court dated April 28, 2025.

### **SALE AND INVESTMENT SOLICITATION PROCESS**

3. The sale and investment solicitation process attached as Schedule “A” to this Order (the “**SISP**”) is hereby approved, and the Chief Restructuring Advisor (as defined in the SISP) is hereby authorized to commence the SISP, with the assistance of the Sale Advisor (as defined in the SISP), under the supervision of the Monitor and, where applicable, in consultation with the Applicants and the Consultation Stakeholders (as defined in the SISP), pursuant to the terms of the SISP. The Chief Restructuring Advisor, the Sale Advisor, the Monitor and the Applicants are hereby authorized to perform their respective obligations under the SISP and to do all things reasonably necessary to perform their obligations thereunder.
4. Each of the Chief Restructuring Advisor, the Sale Advisor and the Monitor, and their respective affiliates, partners, directors, employees, agents and controlling persons, shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Chief Restructuring Advisor, the Sale Advisor or the Monitor, as applicable, in performing its obligations under the SISP (as determined by this Court).
5. In connection with the SISP and pursuant to sections 20 and 22 of the *Personal Information Protection Act* (Alberta), the Chief Restructuring Advisor, the Sale Advisor, the Monitor and the Applicants are authorized and permitted to disclose personal information of identifiable individuals

to prospective bidders and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more potential transactions (each, a “**Transaction**”). Each prospective bidder to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Chief Restructuring Advisor, the Sale Advisor, the Monitor or the Applicants, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of the Business or any Property shall be entitled to continue to use the personal information provided to it, and related to the Business or Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Chief Restructuring Advisor, the Sale Advisor, the Monitor or the Applicants, as applicable, or ensure that other personal information is destroyed.

#### **GENERAL**

6. The Applicants, or any of them, the Chief Restructuring Advisor, the Sale Advisor or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
7. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Chief Restructuring Advisor, the Sale Advisor, the Monitor, the Applicants and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chief Restructuring Advisor, the Sale Advisor, the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Chief Restructuring Advisor, the Sale Advisor, the Monitor, the Applicants and their respective agents in carrying out the terms of this Order.
8. This Order and all of its provisions are effective as of 12:01 a.m. (Calgary time) on the date of this Order.

**SCHEDULE "A"**

**SALE AND INVESTMENT SOLICITATION PROCESS**

[See attached.]

1379-5334-4540

## SALE AND INVESTMENT SOLICITATION PROCESS

### INTRODUCTION

On April 22, 2025, the Court of King's Bench of Alberta (the "**Court**") granted an initial order (as subsequently amended and restated on April 28, 2025, and on April 28, 2026, and as may be further amended from time to time, the "**SARIO**"), 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., and Sunterra Enterprises Inc. (collectively, the "**Sunterra Group**" or the "**Applicants**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") and appointed FTI Consulting Canada Inc. as monitor of the Applicants (in such capacity, the "**Monitor**") in the CCAA proceedings.

On April 28, 2026, the Court granted an order (the "**Chief Restructuring Advisor Appointment Order**") that, among other things, approved the appointment of Neil Narfason Professional Corporation to act as chief restructuring advisor of the Applicants (the "**Chief Restructuring Advisor**") and granted the Chief Restructuring Advisor the sole and exclusive authority to oversee and advance possible sale, investment or refinancing alternatives (subject to Court approval, as applicable).

On April 28, 2026, the Court granted the SARIO, which, among other things, approved the engagement of KPMG Corporate Finance Inc. to act as the sale advisor (the "**Sale Advisor**") in connection with the SISP (as defined below).

On April 28, 2026, the Court granted an order (the "**SISP Approval Order**") that, among other things, authorized the Chief Restructuring Advisor to implement a sale and investment solicitation process in accordance with the terms hereof (the "**SISP**"), 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 (as defined below).

Parties who wish to have their bids and/or proposals considered shall participate in the SISP pursuant to the terms hereof and the SISP Approval Order.

Capitalized terms that are not defined herein have the meanings ascribed thereto in SARIO or the SISP Approval Order, as applicable.

### SUPERVISION OF THE SISP

1. 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, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out herein, and shall be entitled to receive all information in relation to the SISP.

### OPPORTUNITY

2. 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 assets, property and undertakings of the Sunterra Group (collectively, the “**Property**”) and/or the Business (collectively, the “**Opportunity**”). Bids to be considered pursuant to the SISP may include one or more of an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Business of the Sunterra Group as a going concern, including by way of a plan of compromise or arrangement pursuant to the CCAA (an “**Investment Proposal**”) and/or a sale of all, substantially all, or certain of the Property or Business of the Sunterra Group (a “**Sale Proposal**”), or a combination thereof.

## SOLICITATION OF INTEREST

3. 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, to the extent determined appropriate by the Chief Restructuring Advisor or the Monitor, the Applicants:
  - (a) prepare (i) a process summary in form and substance satisfactory to the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest in the Property or Business pursuant to the SISP, and a confidential information memorandum among other things, providing information regarding the Sunterra Group, the Property and the Business, in form and substance satisfactory to the Sale Advisor and the Chief Restructuring Advisor, in consultation with the Monitor and, to the extent determined appropriate by the Chief Restructuring Advisor or the Sale Advisor, the Applicants (“**CIM**”) (provided that one or more CIMs may be prepared to address separate lines of the Business or portions of the Property, if deemed appropriate by the Sale Advisor and the Chief Restructuring Advisor); and (ii) through the assistance of the Applicants’ counsel, a non-disclosure agreement in form and substance satisfactory to the Chief Restructuring Advisor, in consultation with the Monitor (an “**NDA**”);
  - (b) gather and review all required due diligence material to be provided to interested parties and establish a secure, electronic data room (the “**Data Room**”), which will be maintained and administered by the Sale Advisor during the SISP. The Sale Advisor may supplement the Data Room from time to time with additional information as the Sale Advisor deems appropriate. The Sale Advisor may establish separate Data Rooms, if the Sale Advisor, the Chief Restructuring Advisor and the Monitor determine it reasonable to do so to limit the disclosure of commercially sensitive competitive information;
  - (c) prepare a list of potential bidders, including: (i) parties that have approached the Applicants, the Chief Restructuring Advisor, the Sale Advisor or the Monitor; and (ii) 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 (collectively, the “**Known Potential Bidders**”);

- (d) cause a notice of the SISP (the “**Notice**”) to be published in any newspaper and/or other industry publication as the Sale Advisor may determine, in consultation with the Chief Restructuring Advisor and the Monitor, to be beneficial or appropriate; and
  - (e) send the Teaser Letter and NDA to all Known Potential Bidders and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Sale Advisor by the Chief Restructuring Advisor, the Applicants or the Monitor as a potential bidder (each such party, a “**Potential Bidder**”) as soon as reasonably practicable after such request or identification, as applicable.
4. As soon as reasonably practicable following the SISP Approval Order, the Monitor shall post a copy of the Notice on its Website. In addition, if determined appropriate by the Chief Restructuring Advisor and the Monitor, the Sunterra Group may, in consultation with the Sale Advisor, the Chief Restructuring Advisor and the Monitor, issue a press release setting out the information contained in the Notice and such other relevant information that the Sunterra Group, in consultation with the Sale Advisor, the Chief Restructuring Advisor and the Monitor, considers appropriate.
5. The Sale Advisor, the Chief Restructuring Advisor, the Sunterra Group and the Monitor, and their respective directors, officers, employees, advisors and other representatives make no representation or warranty as to the information contained in the CIM, the Data Room or otherwise made available pursuant to the SISP.

## **PHASE 1: NON-BINDING LETTERS OF INTENT**

### **Phase 1 Qualified Bidders**

6. In order to participate in the SISP, an interested party must (i) enter into an NDA with the Applicants, which shall inure to the benefit of any Successful Bidder (as defined below) that closes a transaction contemplated by the Successful Bid (as defined below), and (ii) provides an indication, on a general basis, of which Property or Business such party may be interested in (each such party, a “**Phase 1 Qualified Bidder**”). For clarity, 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 requirements set forth in this Section 6; provided, for greater certainty, 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.
7. Each Potential Bidder will be prohibited from communicating with any other Potential Bidder regarding the Opportunity during the term of the SISP, without the express written consent of the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor.

## Due Diligence

8. The Sale Advisor, in consultation with the Chief Restructuring Advisor and the Monitor, subject to competitive and other business considerations, will afford each Phase 1 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as it deems appropriate. Due diligence access may further include management presentations with the participation of the Sunterra Group, to the extent determined appropriate by the Chief Restructuring Advisor and the Monitor and subject to any restrictions or protections imposed by the Chief Restructuring Advisor or the Monitor, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and to which the Sale Advisor, in its reasonable business judgment and in consultation with the Chief Restructuring Advisor and the Monitor, may agree. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Chief Restructuring Advisor, in consultation with the Sale Advisor, the Monitor and to the extent determined appropriate by the Chief Restructuring Advisor or the Sale Advisor, the Applicants, determines such information to represent proprietary or commercially sensitive competitive information.
9. Phase 1 Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information relating to the Property and Business in connection with their participation in the SISP and any transaction they enter into with any of the Applicants.

## Submission of Non-Binding Letters of Intent

10. A Phase 1 Qualified Bidder that wishes to submit a bid must deliver an executed, non-binding letter of intent (an “**LOI**”), identifying such bidder’s interest in each specific Property or Business, to the Sale Advisor so as to be received by the Sale Advisor not later than 5:00 p.m. (Calgary Time) on June 25, 2026, as such other date or time may be extended by the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “**Phase 1 Bid Deadline**”). Copies of each LOI received by the Sale Advisor will be circulated to the Chief Restructuring Advisor, Goodmans LLP and the Monitor promptly following the Phase 1 Bid Deadline.
11. An LOI submitted by a Phase 1 Qualified Bidder will only be considered a “**Phase 1 Qualified Bid**” by the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, if the following requirements are satisfied:
  - (a) it has been duly executed by the Phase 1 Qualified Bidder;
  - (b) it is received by the Phase 1 Bid Deadline;
  - (c) it indicates whether the Phase 1 Qualified Bidder is making a Sale Proposal, an Investment Proposal, or a combination thereof;
  - (d) in the case of a Sale Proposal, it identifies or contains the following:

- (i) the purchase price or price range, the key assumptions supporting the valuation, and the anticipated amount of cash payable on closing of the proposed transaction;
  - (ii) any contemplated purchase price adjustment or deductions;
  - (iii) a description of the specific Property that is expected to be subject to the transaction and any Property expected to be excluded;
  - (iv) a description of those liabilities and obligations (including, without limitation, operating liabilities, obligations to employees, and environmental obligations) which the Phase 1 Qualified Bidder intends to assume and which liabilities and obligations are expected to be excluded;
  - (v) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of an Investment Proposal, it identifies or contains the following:
  - (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 how the Phase 1 Qualified Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization;
  - (iii) the underlying assumptions regarding the *pro forma* capital structure;
  - (iv) a description of those liabilities and obligations (including, without limitation, operating liabilities, obligations to employees, and environmental obligations) which the Phase 1 Qualified Bidder intends to assume and which liabilities and obligations are expected to be excluded;
  - (v) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and
- (f) it provides written evidence, satisfactory to the Chief Restructuring Advisor and the Monitor, of the financial wherewithal (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy or perform, as applicable, the liabilities and obligations to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital;
- (g) it identifies the proposed conditions to closing that the Phase 1 Qualified Bidder wishes to impose, including, without limitation, any internal, regulatory or other approvals required from a government body, stakeholder or other third party, and

an estimate of the anticipated timeframe and any anticipated impediments for obtaining such approvals;

- (h) it (i) identifies the Phase 1 Qualified Bidder and representatives thereof who are authorized to appear and act on behalf of the Phase 1 Qualified Bidder for all purposes regarding the contemplated transaction, (ii) provides the details of the Phase 1 Qualified Bidder's ownership, (iii) discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the LOI, and (iv) indicates whether any person referenced in this subsection (h) 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;
  - (i) it provides an outline of any additional due diligence required to be conducted in order to submit a binding offer;
  - (j) it contains such other information as may be reasonably requested by the Sale Advisor or the Chief Restructuring Advisor; and
  - (k) it provides an acknowledgement that the LOI may be shared with the Chief Restructuring Advisor, the Monitor and any other third parties, as determined by the Chief Restructuring Advisor and the Monitor, on a confidential basis.
12. The Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, may waive compliance with any one or more of the requirements specified herein and deem any such non-compliant LOI to be a Phase 1 Qualified Bid.

#### **Assessment of Phase 1 Qualified Bids**

13. The Sale Advisor, in consultation with the Chief Restructuring Advisor and the Monitor, may, following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid or a Phase 1 Successful Bid (as defined below).
14. Following the Phase 1 Bid Deadline, and subject to Section 13 hereof, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, shall determine which LOIs constitute Phase 1 Qualified Bid (and the parties submitting such bids shall be deemed "**Phase 2 Qualified Bidders**").
15. Only Phase 2 Qualified Bidders shall be permitted to proceed to the second phase of the SISP.
16. The Sale Advisor shall notify each Phase 1 Qualified Bidder in writing as to whether its LOI constitutes a Phase 1 Qualified Bid.
17. 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.

## **PHASE 2: FORMAL BINDING OFFERS**

### **Formal Binding Offers**

18. The Sale Advisor shall prepare a process summary in form and substance satisfactory to the Sale Advisor, the Chief Restructuring Advisor and the Monitor (the “**Phase 2 Process Letter**”) outlining the process for the submission of Binding Offers (as defined below), including, without limitation, the deadline for the submission of Binding Offers (the “**Phase 2 Bid Deadline**”), which date shall be determined by the Sale Advisor, the Chief Restructuring Advisor and the Monitor, including taking into any consultation pursuant to Section 37 hereof.
19. A Phase 2 Qualified Bidder that wishes to make a final and binding Sale Proposal or Investment Proposal shall submit a binding offer (a “**Binding Offer**”) to the Sale Advisor so as to be received by the Sale Advisor not later than the Phase 2 Bid Deadline). Copies of each Binding Offer received by the Sale Advisor will be circulated to the Chief Restructuring Advisor and the Monitor, and/or their respective counsel, promptly following the Phase 2 Bid Deadline.
20. A Binding Offer will only be considered a “**Phase 2 Qualified Bid**” by the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, if the following requirements are satisfied:
  - (a) it has been duly executed by the Phase 2 Qualified Bidder;
  - (b) it has been received by the Phase 2 Bid Deadline;
  - (c) it complies with all of the requirements set forth herein in respect of a Phase 1 Qualified Bid;
  - (d) it is a Binding Offer (i) to purchase all, substantially all, or a portion of the Property or Business; or (ii) to make an investment in, restructure, recapitalize, reorganize or refinance the Sunterra Group or the Business;
  - (e) it identifies all executory contracts of the Sunterra Group that the Phase 2 Qualified Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied;
  - (f) it is not conditional upon the outcome of unperformed due diligence by the bidder, and/or obtaining financing;
  - (g) it specifies any regulatory or other third party approvals that are required to be satisfied in order to complete the transaction;

- (h) includes acknowledgments and representations of the Phase 2 Qualified Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property of the Sunterra Group in making its Binding Offer; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;
  - (i) it fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
  - (j) it contains evidence of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) and/or shareholders, as necessary and applicable;
  - (k) it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing, in form and substance acceptable to the Chief Restructuring Advisor;
  - (l) is accompanied by a letter which confirms that the Binding Offer: (i) may be accepted by the Applicants by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (a) the date of closing of the Successful Bid; and (b) the Outside Date;
  - (m) it is accompanied by a cash deposit in the amount of not less than 10% of the cash purchase price payable on closing or total new investment contemplated, as the case may be (the "**Deposit**"), along with acknowledgement that if the Phase 2 Qualified Bidder is selected as the Successful Bidder (as defined below), that the Deposit will be non-refundable subject to approval of the Successful Bid (as defined below) by the Court and the terms described below. The Deposit shall be delivered to and held in trust by the Monitor in accordance with this SISP;
  - (n) it contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before the outside date provided for in the Phase 2 Process Letter, if any (the "**Outside Date**"); and
  - (o) 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 (as defined below), in the event the Successful Bidder fails to close.
21. 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 such non-compliant Binding Offer to be a Phase 2 Qualified Bid.

## Evaluation of Bids

22. Submitted Binding Offers will be evaluated based upon several factors, including, without limitation, the proposed purchase price or consideration provided under such bid, the net value and form of consideration to be provided by such bid, any conditions attached to the bid, the nature and extent of the representations and warranties to be sought under the transaction, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets and liabilities included or excluded from the bid, any related costs, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction by the Outside Date, each as evaluated by the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor.
23. 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.

## Selection of Successful Bid

24. If one or more Binding Offers that are received by the Sale Advisor constitute Phase 2 Qualified Bids, as determined by the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, will review and evaluate each Phase 2 Qualified Bid, and shall be permitted to negotiate the terms of any Phase 2 Qualified Bid with the applicable Phase 2 Qualified Bidder, and such Phase 2 Qualified Bid may be amended, modified or varied as a result of such negotiations.
25. Subject to Sections 24 and 26, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, will identify the Phase 2 Qualified Bid(s) (the “**Successful Bid(s)**”), and the Phase 2 Qualified Bidder making such Successful Bid (the “**Successful Bidder(s)**”) for any particular Property or the Business in whole or part. The Chief Restructuring Advisor may, in consultation with the Sale Advisor and the Monitor, select:
  - (a) a single Successful Bid in respect of all or substantially all of the Property and Business; or
  - (b) different Successful Bids in respect of a portion or subset of the Property or Business.
26. If two or more Phase 2 Qualified Bids have been received, the Chief Restructuring Advisor may, in consultation with the Sale Advisor and the Monitor, proceed with an auction process to determine the Successful Bid (the “**Auction**”), which Auction shall be administered in accordance with the terms to be determined by the Sale Advisor, in consultation with the Chief Restructuring Advisor and the Monitor, or otherwise further Order of the Court. Upon a determination to proceed with an Auction, the Sale Advisor

shall provide written notice to each Phase 2 Qualified Bidder, along with (on a confidential basis) copies of all Phase 2 Qualified Bids and identifying the leading bid and the start date of the Auction.

27. The selection of any Successful Bid shall be subject to approval by the Court.
28. The selection of any Successful Bid that does not repay in full all principal, interest and costs, and any other amounts, if any, validly determined to be owing by the Sunterra Group to either National Bank of Canada (“NBC”) or Farm Credit Canada (“FCC”) at the time of the selection of the Successful Bid shall require the consent of such party, unless otherwise ordered by the Court.
29. Without limiting Section 28 or NBC’s or FCC’s position thereunder, if NBC or FCC does not consent to the selection of a Successful Bid on the basis that such bid does not provide for payment in full of all principal, interest and costs, and any other amounts, if any, nothing in this SISP shall prejudice or waive NBC’s or FCC’s right to oppose approval of such transaction and to assert, at the Transaction Approval Application (as defined below), that the proposed transaction ought not to be approved absent such party’s consent or payment in full of all principal, interest and costs, and any other amounts, if any.
30. The Chief Restructuring Advisor shall have 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.

#### **Selection of Backup Bid(s)**

31. 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 “**Backup Bid**”, and each such Phase 2 Qualified Bidder, a “**Backup Bidder**”).

#### **Sale Approval Hearing**

32. At the hearing of the application to approve any Successful Bid(s) and, if applicable, Backup Bid(s) (the “**Transaction Approval Application**”), the Sunterra Group shall seek, among other things, approval from the Court to consummate any Successful Bid(s) and, failing consummation of the Successful Bid(s), approval from the Court to consummate any Backup Bid(s). All of the Phase 2 Qualified Bids other than the Successful Bid(s) and the Backup Bid(s), if any, shall be deemed rejected by the Sunterra Group on and as of the date of approval of the Successful Bid(s) by the Court.
33. 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 ten (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 ten (10) business days of the date on which the Successful Bid is consummated.

## **ALTERNATIVE SUNTERRA GROUP TRANSACTION STRUCTURE**

34. Notwithstanding anything else contained herein, the Chief Restructuring Advisor and the Monitor, after taking into account any consultation pursuant to Sections 37 and 38 hereof, 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.

## **CONFIDENTIALITY, COMMUNICATION AND ACCESS TO INFORMATION**

35. All information provided to parties pursuant to this SISP is confidential and shall be subject to an applicable NDA or such other confidentiality agreement between the Sunterra Group and such party.
36. Except as otherwise permitted herein: (a) all discussions regarding the Opportunity, a Sale Proposal, an Investment Proposal, an LOI or a Binding Offer should be directed through the Sale Advisor and/or the Chief Restructuring Advisor; and (b) no stakeholder of the Sunterra Group, including the Consultation Stakeholders, shall be contacted directly without the prior written consent of the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP, as determined by the Chief Restructuring Advisor in consultation with the Sale Advisor and the Monitor.

## **CONSULTATION**

37. 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.
38. 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, subject to Section 40 hereof, each of NBC, FCC and Compeer Financial, PCA (collectively, the “**Consultation Stakeholders**”) in connection with the SISP, including, without limitation, the implementation of the SISP, any bid(s) and offer(s) received pursuant to the SISP, any transaction provided for in Section 34, and any offer(s) to be accepted as Successful Bid(s) or Backup Bid(s).
39. 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.
40. Prior to being entitled to any information and/or consultation rights hereunder, 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.

41. 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.

#### **SISP AMENDMENTS**

42. The Chief Restructuring Advisor, in consultation with the Applicants, the Sale Advisor and the Consultation Stakeholders, shall have the right to modify the SISP with the prior written approval of the Monitor if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.
43. The Applicants, with the consent of the Chief Restructuring Advisor and the Monitor, shall have the right to add as part of the Opportunity under the SISP additional entities, businesses or assets of subsidiaries of the Sunterra Group that are not applicants in the CCAA proceedings (“**Additional Parties**”), and to subsequently remove such Additional Parties from the SISP as the Applicants may determine appropriate in their sole discretion.

#### **GENERAL**

44. This SISP does not and will not be interpreted to create any contractual or other legal relationship between any of the Applicants and any Potential Bidder, any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in any definitive agreement that may be signed by the Applicants.
45. Nothing herein 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. Notwithstanding (i) and (ii) above, to the extent the board of directors of the Sunterra Group determined not to approve a Successful Bid(s) or Backup Bid(s) that has been selected by the Chief Restructuring Advisor pursuant to the terms of the SISP, the Chief Restructuring Advisor shall have the authority to bring a Transaction Approval Application in respect of such transaction(s) if the Chief Restructuring Advisor determines that to be in the best interest of the stakeholders of the Sunterra Group, and the Sunterra Group shall have all of its rights to oppose any such application.
46. Without limiting Section 44, neither the Chief Restructuring Advisor, the Sale Advisor, the Applicants nor the Monitor shall have any liability whatsoever to any person or party, including without limitation, any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Successful Bidder, Backup Bidder, or any other creditor or other

stakeholder of the Sunterra Group, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or willful misconduct by the Chief Restructuring Advisor, the Sale Advisor, the Applicants or the Monitor. By submitting a bid, each Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Successful Bidder and Backup Bidder, if any, shall be deemed to have agreed that it has no claim against the Chief Restructuring Advisor, the Sale Advisor, the Applicants or the Monitor for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct of the Chief Restructuring Advisor, the Sale Advisor, the Applicants or the Monitor.

47. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
48. Each of the Chief Restructuring Advisor or the Monitor may at any time seek advice or directions from the Court regarding the implementation of the SISP or their respective duties, rights or obligations under the SISP.

1390-1809-9230

**SCHEDULE C  
DRAFT SECOND ARIO**

[See attached.]

1402-7548-0350

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
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2501-06120  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY  
IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, as amended

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

APPLICANT(S):

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

DOCUMENT

**SECOND AMENDED AND RESTATED  
INITIAL ORDER**

CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT:

Goodmans LLP  
333 Bay Street, Suite 3400  
Toronto, ON M5H 2S7  
Attention: Robert J. Chadwick / Caroline Descours /  
Andrew Harmes / Gurratan Gill  
Phone: 416.597.4285 / 416.597.6275  
Fax: 416.979.1234  
Email Address: [rchadwick@goodmans.ca](mailto:rchadwick@goodmans.ca)  
[cdescours@goodmans.ca](mailto:cdescours@goodmans.ca)  
[aharmes@goodmans.ca](mailto:aharmes@goodmans.ca)  
[ggill@goodmans.ca](mailto:ggill@goodmans.ca)

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**  
**NAME OF JUDGE WHO MADE THIS  
ORDER:**  
**LOCATION OF HEARING:**

April 28, 2026  
\_\_\_\_\_  
Michael J. Lema  
\_\_\_\_\_  
Calgary, Alberta  
\_\_\_\_\_

UPON the application of Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Beef Ltd., Lariagra

Farms Ltd., Sunterra Farm Enterprises Ltd., Sunterra Enterprises Inc. (the “**Applicants**”); **AND UPON** having read the Affidavit of Arthur Price sworn April 15, 2025, filed; **AND UPON** being advised that Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc., Sunterra Farms Ltd., Sunwold Farms Limited (the “**Proponents**”) had previously commenced proceedings on March 24, 2025 (the “**Proposal Date**”) under Part III of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. 8-3 (the “**BIA**”), having Court File Numbers 25-3202164, 25-3202163, 25-3202160, 25-3202157 and 25-3202163 (the “**NOI Proceedings**”); **AND UPON** noting that Harris & Partners Inc. was appointed Proposal Trustee (“**Proposal Trustee**”) in the NOI Proceedings; **AND UPON** having read the Report of the Proposal Trustee; **AND UPON** having read the First Report of the Monitor, FTI Consulting Canada Inc. (the “**Monitor**”); **AND UPON** the Application of the Applicants filed on April 21, 2026; **AND UPON** having read the Affidavit of Arthur Price sworn April 21, 2026 (the “**Price Affidavit**”) and the Affidavit of Neil Narfason sworn April 21, 2026 (the “**Narfason Affidavit**”); **AND UPON** having read the Seventh Report of the Monitor; **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application; **AND UPON** hearing counsel for the Applicants, counsel to the Monitor, counsel to National Bank of Canada, counsel to Compeer Financial, PCA, and counsel to Farm Credit Canada; **IT IS HEREBY ORDERED AND DECLARED THAT:**

#### **SERVICE**

1. The time for service of the notice of application for this Second Amended and Restated Initial Order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

#### **APPLICATION**

2. The Applicants are companies to which the *Companies’ Creditors Arrangement Act* of Canada (the “**CCAA**”) applies. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, (a) approval of the Monitor’s and its counsel’s fees and disbursements and approval of the Monitor’s activities in this proceeding shall be deemed approval of the fees and disbursements and activities of Harris & Partners Inc. in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceedings, and (b) references to the

time or date of the “Initial Order” used in this Order shall mean (i) for the Proponents, the Proposal Date, and (ii) for the other Applicants, April 22, 2025.

### **PLAN OF ARRANGEMENT**

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

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

4. The Applicants shall:
  - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”), including the right to utilize the cash balances in their accounts in accordance with the cash flows filed in these proceedings (the “**Cash Flows**”) and, generally, in the ordinary course of the Applicants’ operations and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to, on or after the Initial Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable prior to, on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) amounts outstanding for inventory and other goods and services essential to the Business or delivered by critical suppliers with the consent of the Monitor;
  - (c) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of the Initial Order;
  - (d) the payments set out in the Cash Flows, subject to the notes related to such payment in the Cash Flows and the consent of the Monitor.
6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course from and after the Initial Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of the Initial Order.
7. The Applicants shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan,
    - (iii) Quebec Pension Plan, and
    - (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of the Initial Order, or are not required to be remitted until after the date of the Initial Order, unless otherwise ordered by the Court;

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

## RESTRUCTURING

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

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

11. The Applicants shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall

not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

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

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

13. Until and including October 30, 2026 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court. The stay is granted as against the Canadian entities, being the Applicants in these proceedings, as well as against any Property or Business of the Canadian entities, regardless of which jurisdiction that Property or Business is in, but does not apply against any current or forthcoming proceedings in the United States against the US entities, Sunterra Farms Iowa, Inc, Sunwold Farms Inc and Lariagra Farms South, Inc.

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

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

## **NO INTERFERENCE WITH RIGHTS**

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

### **PRE-FILING VS POST-FILING SET-OFF**

17. No Person shall be entitled to set off any amounts that (a) are or may become due to an Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due from an Applicant in respect of obligations arising on or after the date hereof; or (b) are or may become due from an Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to an Applicant in respect of obligations arising on or after the date hereof, in each case without the consent of the Applicants and the Monitor, or further Order of this Court.

### **CONTINUATION OF SERVICES**

18. During the Stay Period, all Persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants or any of them,

including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants or any of them, are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or any of them or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of the Initial Order are paid by the Applicant(s) as applicable in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

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

19. Nothing in this Order has the effect of prohibiting a Person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of the Initial Order, nor shall any Person be under any obligation on or after the date

of the Initial Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

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

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

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

21. Each of the Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the respective Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$900,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 35 and 37 herein.
23. Notwithstanding any language in any applicable insurance policy to the contrary:
- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
  - (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

### **APPROVAL OF SALE ADVISOR**

24. KPMG Corporate Finance Inc. (the “**Sale Advisor**”) is hereby authorized and approved as the sale advisor of the Applicants in connection with the SISP (as defined in the Narfason Affidavit).
25. The Applicants are hereby authorized to enter into an engagement letter with the Sale Advisor, with the consent of the Monitor, on terms substantially consistent with the terms described in the Narfason Affidavit. The Applicants are hereby authorized to pay the fees and expenses of the Sale Advisor, including, without limitation, the Work Fee and the Transaction Fee (as defined in the Narfason Affidavit) (the “**Sale Advisor Fees**”).
26. The Sale Advisor shall be entitled to the benefits of and is hereby granted a charge (the “**Sale Advisor Charge**”) on the Property, as security for the Sale Advisor Fees. The Sale Advisor Charge shall have the priority set out in paragraphs 35 and 37 hereof.

### **APPOINTMENT OF MONITOR**

27. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants or any of them pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions. All other engagements of FTI concerning any one or more of the Applicants or their affiliates, are hereby terminated.
28. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
  - (a) monitor the Applicants’ receipts and disbursements, Business and dealings with the Property;
  - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;

- (c) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by these proceedings;
  - (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
  - (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
  - (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
  - (g) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
  - (h) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
  - (i) perform such other duties as are required by this Order or by this Court from time to time.
29. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

30. The Monitor shall provide any creditor of the Applicants or any of with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant(s) is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant(s) may agree.
31. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
32. The Monitor, counsel to the Monitor, the Proposal Trustee, counsel to the Proposal Trustee, Hawco Peters and Associates Inc. (the Financial Advisor), Goodmans LLP (counsel to the Applicants) and other counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis or such other terms as the parties may agree and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants retainers in the respective amounts of \$50,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
33. The Monitor and its legal counsel shall pass their accounts from time to time.
34. The Monitor, counsel to the Monitor, the Chief Restructuring Advisor, Goodmans LLP (counsel to the Applicants) and other counsel to the Applicants, as security for the professional fees and disbursements incurred both before and after the granting of the Initial Order, shall be entitled to the benefits of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for (a) their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, and (b) the Monthly Fee (as defined in the Price Affidavit) and disbursements payable to the Chief Restructuring Advisor pursuant to the Chief Restructuring Advisor Engagement Letter

(as defined in the Price Affidavit), in each case both before and after the making of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

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

35. The priority of the Administration Charge, the Sale Advisor Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000) and the Sale Advisor Charge, *pari passu*; and

Second – Directors' Charge (to the maximum amount of \$900,000).

36. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

37. The Charges (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

38. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further order of this Court.

39. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

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

#### **ALLOCATION**

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

#### **SERVICE AND NOTICE**

41. The Monitor shall (i) without delay, publish in the Calgary Herald a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order make this Order publicly available in the manner prescribed under the CCAA, (iii) within five (5) days after the date of the Initial Order send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants or any of them of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and

make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

42. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicant's creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor shall establish and maintain a website in respect of these proceedings at <https://cfcanada.fticonsulting.com/sunterra/> and shall post there as soon as practicable: (a) all materials prescribed by statute or regulation to be made publicly available; (b) all applications, reports, affidavits, orders or other materials filed in these proceedings by or on behalf of the Monitor, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
43. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up-to-date form of the Service List on its website as described in the previous paragraph.

## **GENERAL**

44. The Applicants or any of them or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
45. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
46. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants or any of them, the Business or the Property.

47. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
48. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
49. Any interested party (including any of the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the Chargees shall be entitled to rely on this Order as granted on the Charges and priorities set forth in paragraphs 35 and 37 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.
50. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

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Justice of the Court of King's Bench of Alberta