

JS-Oct 29, 2026



COURT FILE NO.

Clerk's Stamp:

2501-06120

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT(S)

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

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

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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Toronto, ON M5H 2S7

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aharmes@goodmans.ca
ggill@goodmans.ca

AFFIDAVIT OF NEIL NARFASON
Sworn October 20, 2026

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

1. I am the President of Neil Narfason Professional Corporation ("NNPC" or the "Chief Restructuring Advisor"). NNPC was engaged in February 2026 to provide restructuring advisory services to Sunterra Food Corporation, Trochu Meat Processors Ltd., Sunterra Quality Food Markets Inc. ("**Suntterra Markets**"), Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Beef Ltd., Lariagra Farms Ltd., Sunterra Farm Enterprises Ltd. and

A handwritten signature in blue ink, located at the bottom right of the page.

Sunterra Enterprises Inc. (collectively, the “**Applicants**” or the “**Sunterra Group**”), the applicants in these proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and was subsequently appointed as the Chief Restructuring Advisor of the Applicants pursuant to the Chief Restructuring Advisor Appointment Order (as defined below).

2. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true. Nothing in this affidavit is intended to waive, nor shall be construed as waiving, any applicable privilege.
3. This affidavit is sworn in support of the Applicants’ application in these CCAA proceedings seeking an Order extending the Stay Period (as defined below) to and including January 29, 2027 (the “**Stay Extension Order**”).
4. Capitalized terms used and not otherwise defined in this affidavit have the meanings given to them in the Second ARIO or the SISP (each as defined below).

II. BACKGROUND

5. The Applicants are members of a diversified group of related companies ultimately owned and operated by members of the Price family. The Sunterra Group operates several businesses across multiple sectors of the agricultural and food distribution industries.
 6. On April 22, 2025, the Applicants obtained an initial order of 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 (the “**Stay Period**”). The Stay Period has been extended by various Orders of this Court, most recently pursuant to the Second ARIO, and currently expires on October 30, 2026.
 7. On April 28, 2026, this Court granted (i) an Order approving a sale and investment solicitation process (the “**SISP**”, and such Order, the “**SISP Approval Order**”), (ii) an Order appointing NNPC as the Chief Restructuring Advisor of the Applicants with, among other things, the authority to oversee and advance possible restructuring solutions, including any CCAA plan or other restructuring or reorganization transaction, and possible sale, investment or refinancing alternatives, including the SISP, in each case subject to Court approval (the “**Chief Restructuring Advisor Appointment Order**”), and (iii) the Second Amended and Restated Initial Order (the “**Second ARIO**”), among other things, approving the engagement of KPMG Corporate Finance Inc. to act as the sale advisor in connection with the SISP (in such capacity, the “**Sale Advisor**”). The background leading to the SISP and the appointment of the Chief Restructuring Advisor is set out in the affidavit of Arthur Price sworn April 21, 2026 and my affidavit sworn April 21, 2026 (collectively, the “**April Affidavits**”).
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8. As discussed in the April Affidavits, two principal paths are being pursued 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 (the "**Plan / Restructuring Path**"); and
 - (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 (the "**Transaction Path**"). The Transaction Path is being advanced pursuant to the Court-approved SISP.
9. The Chief Restructuring Advisor continues to advance both paths on behalf of the Applicants with the assistance of the Applicants' legal counsel, Goodmans LLP ("**Goodmans**"), and the Sale Advisor (with respect to the Transaction Path), in consultation with the Monitor, as further discussed herein.

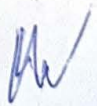
III. UPDATE ON THE SISP AND TRANSACTION PATH

A. Overview of the SISP

10. The SISP is a comprehensive two-phase process designed to solicit interest in, and opportunities for, Investment Proposals and/or Sale Proposals in respect of the Applicants and their businesses and assets. The SISP is being conducted by the Chief Restructuring Advisor, with the assistance of the Sale Advisor, under the supervision of the Monitor and, where applicable, in consultation with the Applicants and National Bank of Canada ("**NBC**"), Farm Credit Canada ("**FCC**") and Compeer Financial, PCA (together with NBC and FCC, the "**Consultation Stakeholders**").
11. As described further below, since the granting of the SISP Approval Order, the Chief Restructuring Advisor has been working, pursuant to the SISP Approval Order and the Chief Restructuring Advisor Appointment Order, with the assistance of the Sale Advisor and under the supervision of the Monitor, to implement and advance the SISP in accordance with its terms, with the support of Goodmans and, where applicable, in consultation with the Applicants and the Consultation Stakeholders.

B. Solicitation of Interest pursuant to the SISP

12. Following the granting of the SISP Approval Order, and in accordance with the SISP, the Sale Advisor, in consultation with the Chief Restructuring Advisor, the Monitor and, where determined appropriate by the Chief Restructuring Advisor or the Monitor, the Applicants, among other things:



- (a) prepared (i) a teaser letter in form and substance satisfactory to the Chief Restructuring Advisor and the Monitor describing the Opportunity under the SISP, outlining the process under the SISP, and inviting recipients to express their interest in the Property or Business of the Applicants pursuant to the SISP (the "**Teaser Letter**"), (ii) confidential information memoranda providing information regarding the Applicants, the Property and the Business, including, as permitted by the SISP, separate confidential information memoranda for certain of the Applicants' separate lines of the Business and/or portions of the Property, in each case in form and substance satisfactory to the Chief Restructuring Advisor, in consultation with the Monitor, and (iii) through the assistance of Goodmans, a non-disclosure agreement (an "**NDA**") in form and substance satisfactory to the Chief Restructuring Advisor, in consultation with the Monitor;
 - (b) gathered and reviewed due diligence material to be provided to interested parties and established a secure, electronic data room, which has been maintained and administered by the Sale Advisor and supplemented from time to time;
 - (c) prepared a list of potential bidders, including parties that had approached the Applicants, the Chief Restructuring Advisor, the Sale Advisor or the Monitor, and local and international strategic and financial parties believed to be potentially interested in the Opportunity, in consultation with the Chief Restructuring Advisor, the Applicants and the Monitor (collectively, the "**Known Potential Bidders**");
 - (d) caused a notice of the SISP to be posted on the Monitor's website and published in *The Globe and Mail* and the *Financial Post* on May 13, 2026; and
 - (e) sent the Teaser Letter and NDA to Known Potential Bidders and to other parties who requested them or who were identified to the Sale Advisor by the Chief Restructuring Advisor, the Applicants or the Monitor as potential bidders.
13. Goodmans, in consultation with the Chief Restructuring Advisor and the Sale Advisor, negotiated NDAs with interested parties. Interested parties that executed an NDA and indicated the Property or Business in which they may be interested (each such party, a "**Phase 1 Qualified Bidder**") were provided with access to the data room and due diligence materials.

C. Phase 1 of the SISP

14. Pursuant to the terms of the SISP, the Phase 1 Bid Deadline for the submission of non-binding letters of intent (each, an "**LOI**") by Phase 1 Qualified Bidders was June 25, 2026. The Phase 1 Bid Deadline was subsequently extended to July 16, 2026 pursuant to the SISP, by the Sale Advisor, the Chief Restructuring Advisor and the Monitor, in consultation with the Consultation Stakeholders, to provide interested parties with additional time to submit LOIs.
15. Following the Phase 1 Bid Deadline, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, evaluated the LOIs received against the criteria set out
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in the SISP to determine which constituted qualified bids (each, a “**Phase 1 Qualified Bid**”). Where appropriate, the Sale Advisor, in consultation with the Chief Restructuring Advisor and the Monitor, sought clarification with respect to LOIs submitted in accordance with the SISP. Parties submitting Phase 1 Qualified Bids, as determined by the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, were deemed qualified to participate in the second phase of the SISP (each, a “**Phase 2 Qualified Bidder**”). The Sale Advisor notified each Phase 1 Qualified Bidder that submitted an LOI as to whether its LOI constituted a Phase 1 Qualified Bid.

D. Phase 2 of the SISP

16. The Sale Advisor prepared a process letter for the second phase of the SISP, in form and substance acceptable to the Chief Restructuring Advisor and the Monitor, outlining the process for the submission of Binding Offers, which was distributed to Phase 2 Qualified Bidders.
17. The deadline for the submission of Binding Offers (the “**Phase 2 Bid Deadline**”) was determined by the Sale Advisor, the Chief Restructuring Advisor and the Monitor, in consultation with the Consultation Stakeholders. The Phase 2 Bid Deadline was initially determined to be October 1, 2026, and was subsequently amended by the Sale Advisor, with the consent of the Chief Restructuring Advisor and the Monitor, and in consultation with the Consultation Stakeholders, to (i) October 7, 2026 in respect of the business and assets of Sunterra Markets and in respect of Sunterra Enterprises Inc.’s interest in West Market Square Inc., and (ii) October 22, 2026 in respect of the balance of the Applicants’ businesses and assets.
18. The SISP is ongoing and the Chief Restructuring Advisor, with the assistance of the Sale Advisor, under the oversight of the Monitor and, where applicable, in consultation with the Applicants and the Consultation Stakeholders, continues to advance the SISP with a view to maximizing value for the benefit of the Applicants’ stakeholders. Additional updates with respect to the SISP will be provided in due course as appropriate.

IV. UPDATE ON THE PLAN / RESTRUCTURING PATH

19. The Applicants, with the assistance of their counsel and the Chief Restructuring Advisor, have been working diligently to advance a potential Plan / Restructuring Path, in parallel with the SISP. The Applicants have advanced discussions with various parties in that regard, and those efforts are ongoing. These efforts have included discussions with the Monitor and key stakeholders regarding potential structures and alternatives for a framework of a restructuring plan and the satisfaction of claims against the Sunterra Group.

V. LEASE AND RELATED MATTERS

20. Following a review of certain of its retail locations, Sunterra Markets, in consultation with the Chief Restructuring Advisor and with the approval of the Monitor, determined to
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disclaim the two following real property leases pursuant to section 32 of the CCAA: (i) the lease of premises at Commerce Place in Edmonton, Alberta, which was disclaimed effective June 7, 2026; and (ii) the lease of premises at the Bower Place shopping centre in Red Deer, Alberta, with an effective disclaimer date of October 31, 2026. Sunterra Markets is currently in discussions with the Bower Place landlord with respect to a limited extension of the disclaimer effective date to allow for additional time to complete the removal of inventory and fixtures.

21. In connection with the closure of the Commerce Place and Bower Place retail locations, Sunterra Markets terminated the employment of certain employees working at those locations. The Applicants have informed the Monitor of these terminations and understand that claims packages either have been, or will be, provided to all affected employees.
22. In addition, Sunterra Markets' leases of premises at Britannia Plaza in Calgary, Alberta, and Lendrum Place in Edmonton, Alberta, are set to expire on October 31, 2026. Sunterra Markets has confirmed with the Britannia Plaza landlord a lease extension on a month-to-month basis, and is also in the process of working with the landlord of Lendrum Place to finalize a short-term lease extension agreement.

VI. EXTENSION OF THE STAY PERIOD

23. As discussed above, the Stay Period currently expires on October 30, 2026. The Applicants are requesting an extension of the Stay Period pursuant to the proposed Stay Extension Order to and including January 29, 2027.
 24. The proposed extension of the Stay Period is necessary to maintain the status quo and provide continued stability while the Applicants, the Chief Restructuring Advisor and their other advisors continue to advance the Transaction Path pursuant to the SISP and the Plan / Restructuring Path in pursuit of a comprehensive restructuring solution. As described above, the SISP is ongoing and additional time is needed to advance one or more potential binding transactions. The Applicants' efforts to advance the Plan / Restructuring Path are also ongoing and additional time is needed to continue those efforts towards a potential restructuring transaction.
 25. Throughout these CCAA proceedings, the Applicants have funded their operations and the costs of these proceedings from cash generated by their operations, without the need for interim financing. I understand that the Monitor will be filing an updated cash flow forecast in connection with this application, and that such cash flow forecast will show that the Applicants have sufficient liquidity to operate through the requested extended Stay Period.
 26. The Applicants, with the assistance of the Chief Restructuring Advisor and Goodmans, have sought, where possible, to resolve matters with creditors consensually and to limit contested Court attendances in an effort to reduce the overall professional costs of these CCAA proceedings. In this regard, the Applicants, with the assistance of the Chief Restructuring Advisor and Goodmans, have been actively engaged in productive
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discussions with creditors and other stakeholders, and have produced requested documents and information from time to time.

27. I believe that the Applicants have acted and continue to act in good faith and with due diligence throughout these CCAA proceedings, and I do not believe that any creditor or stakeholder will suffer any material prejudice as a result of the proposed extension of the Stay Period.

VII. CONCLUSION

28. The Applicants have been working diligently and in good faith to advance matters in these CCAA proceedings. The ongoing benefit of the protections granted by the Court pursuant to the Second ARIO is required while the Applicants continue to work with their advisors to complete the SISF and advance potential options for a comprehensive restructuring solution that preserves and maximizes value for all stakeholders.
29. I believe that the extension of the Stay Period to and including January 29, 2027, is in the best interests of the Applicants and their stakeholders in the circumstances.
30. For the reasons set out herein, the Applicants respectfully request that this Court grant the proposed Stay Extension Order.
31. This affidavit was sworn using video technology. The affiant was not physically present before the commissioner but was linked to the commissioner utilizing video technology in accordance with the process for remote commissioning of affidavits set out in the Notice to the Profession & Public Notice: Remote Commissioning of Affidavits For Use in Civil and Family Proceedings During the COVID-19 Pandemic.

SWORN before me by
videoconference with the affiant at the
Municipality of Invermere, in the
Province of British Columbia, and the
commissioner at the City of Toronto,
in the Province of Ontario, on October
20, 2026

A Commissioner for taking affidavits
in the Province of Ontario

Gurratan Gill LSO#93354U



NEIL NARFASON



	Clerk's Stamp:	<div style="border: 1px solid black; width: 150px; height: 50px; margin: 0 auto;"></div>
COURT FILE NO.	2501-06120	
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
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DOCUMENT	AFFIDAVIT	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Goodmans LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7 Attn: Robert J. Chadwick / Caroline Descours / Andrew Harmes / Gurratan Gill Tel: 416.597.4285 / 416.597.6275 / 416.849.6923 / 416.849.6975 Fax: 416.979.1234 Email: rchadwick@goodmans.ca cdescours@goodmans.ca aharmes@goodmans.ca ggill@goodmans.ca	

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27. I believe that the Applicants have acted and continue to act in good faith and with due diligence throughout these CCAA proceedings, and I do not believe that any creditor or stakeholder will suffer any material prejudice as a result of the proposed extension of the Stay Period.

VII. CONCLUSION

28. The Applicants have been working diligently and in good faith to advance matters in these CCAA proceedings. The ongoing benefit of the protections granted by the Court pursuant to the Second ARIO is required while the Applicants continue to work with their advisors to complete the SISP and advance potential options for a comprehensive restructuring solution that preserves and maximizes value for all stakeholders.
29. I believe that the extension of the Stay Period to and including January 29, 2027, is in the best interests of the Applicants and their stakeholders in the circumstances.
30. For the reasons set out herein, the Applicants respectfully request that this Court grant the proposed Stay Extension Order.
31. This affidavit was sworn using video technology. The affiant was not physically present before the commissioner but was linked to the commissioner utilizing video technology in accordance with the process for remote commissioning of affidavits set out in the Notice to the Profession & Public Notice: Remote Commissioning of Affidavits For Use in Civil and Family Proceedings During the COVID-19 Pandemic.

SWORN before me by
videoconference with the affiant at the
Municipality of Invermere, in the
Province of British Columbia, and the
commissioner at the City of Toronto,
in the Province of Ontario, on October
20, 2026



A Commissioner for taking affidavits
in the Province of Ontario

Gurratan Gill LSO#93354U

NEIL NARFASON

CERTIFICATE OF COMMISSIONER

I, Gurratan Gill, a lawyer with Goodmans LLP, of the City Toronto, in the Province of Ontario, do hereby certify that:

1. On October 20, 2026, I was present by video technology and did see the affiant, Neil Narfason (the “**Affiant**”), swear and sign the Affidavit annexed hereto;
2. The Affiant showed me the front and back of his current government-issued photo identification and I have taken a screenshot of same;
3. I have compared the video image of the Affiant and information on the said photo identification, and believe it to be the same person and that the photo identification is valid and current;
4. Both the Affiant and I had a copy of the Affidavit before us while connected via video technology. The Affiant and I reviewed each page of our respective copy of the Affidavit and verified that they are identical and have initialed each page in the lower right corner;
5. The Affidavit was sworn and signed by the Affiant at the Municipality of Invermere, in the Province of British Columbia;
6. The steps taken by myself as Commissioner follows the process for remote commissioning of affidavits as set out in the Notice to the Profession & Public – Remote Commissioning, issued by the Court of King’s Bench of Alberta on March 25, 2020.

DATED on the 20th day of October, 2026 in the City of Toronto, in the Province of Ontario



GURRATAN GILL