



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

CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT:

**SISP APPROVAL ORDER**

Goodmans LLP  
333 Bay Street, Suite 3400  
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**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 22, 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.



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Justice of the Court of King's Bench of Alberta

**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. The Applicants shall not be entitled to receive information on the identity of any participants in the SISP unless the Chief Restructuring Advisor and the Monitor determine it is appropriate in the circumstances to provide such information.

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 SISF;
- (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 be 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 participating in the SISP, including without limitation, any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Successful Bidder, or Backup Bidder, 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.