

THE QUEEN'S BENCH

WINNIPEG CENTRE

IN THE MATTER OF: The Appointment of a Receiver pursuant to Section 243
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-
3, as amended, and Section 55 of *The Court of Queen's
Bench Act*, C.C.S.M. c. C280

BETWEEN:

ROYAL BANK OF CANADA,

plaintiff,

- and -

KELLER & SONS FARMING LTD. and KELLER
HOLDINGS LTD.,

defendants.

INTERIM DISTRIBUTION ORDER

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
201 Portage Avenue, Suite 2200
Winnipeg MB R3B 3L3

(Matter No. 0138084 RAM)
(Ross A. McFadyen: 204-934-2378)
(Fax. No. 204-934-0538)
(Toll Free: 1-855-483-7529)
(Email: ram@tdslaw.com)

THE QUEEN'S BENCH

WINNIPEG CENTRE

THE HONOURABLE) Friday, the 12th day of August, 2016
MR. JUSTICE CHARTIER)

IN THE MATTER OF: The Appointment of a Receiver pursuant to Section 243
of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-
3, as amended, and Section 55 of *The Court of Queen's
Bench Act*, C.C.S.M. c. C280

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INTERIM DISTRIBUTION ORDER

THIS MOTION, made by Ernst & Young Inc. (the "Receiver"), in its capacity as receiver and manager of the defendants, for an interim distribution of funds and certain other relief as set out in the Notice of Motion filed on behalf of the Receiver on July 29, 2016, was heard this day at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

ON READING the Third Report of the Receiver dated August 5, 2016 (the "Third Report") and on hearing the submissions of counsel for the Receiver, counsel for the plaintiff, counsel for Shilo Farms Ltd., counsel for Custom Truck Sales Inc., and Linda Gallant, appearing in person as an authorized representative of Gallant Sales, no one appearing for any other interested party, although properly served as appears from the Affidavit of Service of Ross A. McFadyen affirmed August 8, 2016:

1. THIS COURT ORDERS AND DECLARES that the time for service of the Notice of Motion, the Third Report and any other materials relating thereto is hereby abridged and validated and further service is hereby dispensed with.

2. THIS COURT ORDERS that the Receiver is hereby authorized and directed to make an interim distribution from the monies held by it in trust. In particular, the Receiver is authorized and directed to make the following payments:

(a) the sum of \$20,536,600.00 to the plaintiff and National Bank of Canada, to be divided amongst them in accordance with the terms of the Amended and Restated Intercreditor Agreement dated June 5, 2014, as found at Exhibit 20 to the Affidavit of Gary Ivany sworn in the proceeding on October 2, 2015; and

(b) the sum of \$25,812.30 to Concentra Financial Service Association.

3. THIS COURT ORDERS that the Receiver shall hold the proceeds realized from the auction of certain equipment as identified specifically at paragraphs 72, 74, 75, 81 and 82 of the Third Report, totalling \$88,500.00 in aggregate, in a separate interest-bearing trust account pending final determination of the claims relating to those items of equipment by way of agreement with the claimants, or failing agreement, by further Order of this Court. For greater certainty, the Receiver may deal with each item of equipment separately, such that the auction proceeds in respect of each item may be dealt with when an agreement is reached with respect to that specific item, or a Court Order is made in respect of that specific item.

4. THIS COURT APPROVES the Third Report and the activities of the Receiver described therein, including the Receiver's Interim Statement of Receipts and Disbursements. For greater certainty, all capitalized terms not otherwise defined herein shall have the meanings set out in the reports of the Receiver that have been filed with this Court.

5. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.

6. THIS COURT ORDERS that this Order may be served by email or regular mail to all parties listed on the Service List and on any party that appeared at

the hearing of this motion, and further service on any other party is hereby dispensed with.

August 12, 2016

G.L. CHARTIER

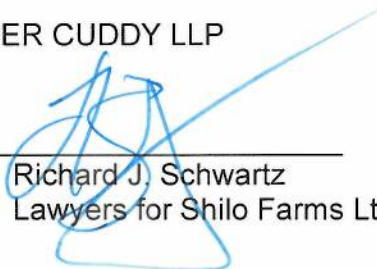
APPROVAL AS TO FORM AND CONTENT:

FILLMORE RILEY LLP

per: 
J. Michael J. Dow
Lawyers for the Royal Bank of Canada

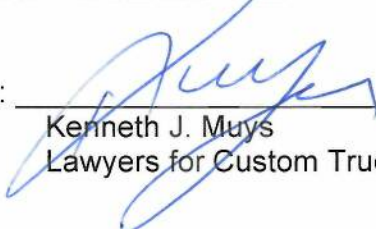
APPROVAL AS TO FORM:

TAPPER CUDDY LLP

per: 
Richard J. Schwartz
Lawyers for Shilo Farms Ltd.

APPROVAL AS TO FORM:

D'ARCY & DEACON LLP

per: 
Kenneth J. Muys
Lawyers for Custom Truck Sales Inc.