

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.

SECOND INTERIM DISTRIBUTION ORDER

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WINNIPEG CENTRE

THE HONOURABLE) Friday, the 30th day of June, 2017
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

BETWEEN:

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defendants.

SECOND INTERIM DISTRIBUTION ORDER

THIS MOTION, made by Ernst & Young Inc. (the "Receiver"), in its capacity as receiver and manager of the defendants, for the further interim distribution of funds and certain other relief as set out in the Notice of Motion filed on behalf of the Receiver on June 8, 2017, was heard this day at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

ON READING the Fourth Report of the Receiver dated June 5, 2017 (the "Fourth Report") and on hearing the submissions of counsel for the Receiver, counsel for the plaintiff, counsel for Shilo Farms Ltd. and counsel for Custom Truck Sales Inc., no one appearing for any other interested party, although properly served as appears from the Affidavit of Service of Ross A. McFadyen affirmed June 9, 2017:

1. THIS COURT ORDERS AND DECLARES that the time for service of the Notice of Motion, the Fourth 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 a further 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 \$239,939.02 to the plaintiff;
 - (b) the sum of \$143,331.17 to the National Bank of Canada; and
 - (c) the sum of \$54,396.96 to the Canada Revenue Agency.
3. THIS COURT ORDERS AND DECLARES that the proceeds realized from the sale of certain equipment as identified specifically at paragraphs 72, 75, 81 and 82 of the Third Report of the Receiver dated August 5, 2016, totalling \$47,500.00 in aggregate, are subject to the prior-ranking general security interest of the plaintiff. As such, those funds are no longer required to be held in trust by the Receiver. For

greater clarity, the proceeds realized from the sale of the Kenworth T800 Truck Tractor (referenced at paragraph 74 of the Third Report) shall continue to be held by the Receiver in a separate interest-bearing trust account pending final determination of the claim relating to that item of equipment by way of agreement amongst the interested parties or, failing agreement, by further Order of this Court.

4. THIS COURT APPROVES the Fourth 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 ORDERS that the motion of Shilo Farms Ltd. seeking leave to file a third party claim as against the Receiver in Queen's Bench File No. CI 16-01-02918 is adjourned to a contested hearing date on Wednesday, October 11, 2017 at 10:00 a.m.

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.

June 30, 2017

G.L. CHARTIER