

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.

NOTICE OF MOTION
(SALE APPROVAL MOTION)
BEFORE MR. JUSTICE CHARTIER
ON FRIDAY, APRIL 8, 2016 at 9:00 a.m.

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)
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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-
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BETWEEN:

ROYAL BANK OF CANADA,

plaintiff,

- and -

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

defendants.

NOTICE OF MOTION

ERNST & YOUNG INC. (the "Receiver"), in its capacity as receiver and manager of the defendants, will make a motion before Mr. Justice Chartier on Friday, the 8th day of April, 2016 at 9:00 a.m., or as soon after that time as the motion can be heard at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

THE MOTION IS FOR an Approval and Vesting Order, substantially in the form attached hereto and marked as Schedule "A" ("Approval and Vesting Order"):

1. Validating or otherwise abridging the time for service of this notice of motion and the materials related thereto such that this motion is properly returnable on the stated hearing date with no further service required;
2. Approving the sale transaction (the "Transaction") contemplated by the Asset Purchase Agreement (the "Sale Agreement") between the Receiver, as vendor, and Spud Plains Farms Ltd., A&A Farms Ltd., TA Farms Ltd. and A&M Potato Growers Ltd., as purchasers (the "Purchasers"), to be entered into by the Receiver and Purchasers pursuant to the Receiver's powers under paragraph 3(k) of the Order made herein on October 8, 2015 (the "Receivership Order");
3. Vesting in the Purchasers all of the defendants' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets") free and clear of any claims or encumbrances other than certain permitted encumbrances, all as set out in the Approval and Vesting Order;
4. Ordering the sealing of the Second Confidential Report of the Receiver dated March 30, 2016 (the "Second Confidential Report");
5. Approving of the Second Report of the Receiver dated March 30, 2016 (the "Second Report") and the activities of the Receiver described therein, including the Receiver's Interim Statement of Receipts and Disbursements (all capitalized terms not otherwise defined herein shall have the meanings set out in the First Report of the Receiver dated January 19, 2016 (the "First Report") and the Second Report);
and

6. Such further and other relief as the circumstances of this proceeding may require and as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. On October 8, 2015, this Court issued the Order (the "Receivership Order") appointing Ernst & Young Inc. as Receiver of the defendants, Keller & Sons Farming Ltd. and Keller Holdings Ltd. The Receiver has complied with the Receivership Order and its activities to date assisted the Court in the administration of the receivership of the defendants.
2. In the Receivership Order, the Court empowered and authorized the Receiver to, *inter alia*, sell, convey, transfer, lease or assign the property of the defendants, or any part or parts thereof out of the ordinary course of business, with the approval of this Court in respect of a transaction in which the purchase price or aggregate purchase price exceeds \$100,000.00, and to apply for any vesting order or other orders necessary to convey such property to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such property.
3. The Receiver has, since being appointed by the Court, engaged in efforts to sell the real property of the defendants, as described at paragraphs 81 through 110 of the First Report and at paragraphs 57 through 63 of the Second Report (the "Sales Process").

4. Pursuant to the Sales Process, the Receiver received a number of offers for the purchase of the real property of the defendants. The Receiver determined that the offer from the Purchasers is the most favourable offer for the real property of the defendants.

5. The Receiver is in the process of finalizing the Sale Agreement with the Purchasers, in accordance with the offer made by the Purchasers and in furtherance of the Sales Process. Pursuant to the Sale Agreement, and subject to the approval of this Court, the parties anticipate closing of the Transaction to occur as soon as reasonably possible following Court approval.

6. The Sales Process leading up to the conclusion of the Sale Agreement was commercially reasonable and fair, and the Receiver has made sufficient efforts to obtain the best price and has not acted improvidently. The plaintiff and National Bank of Canada, as the primary secured creditors with interests in the real property of the defendants, are supportive of the Transaction.

7. The information contained in the Second Confidential Report is sensitive commercial information, and a sealing order is necessary as there is a real and substantial risk of harm to the interests of stakeholders in this proceeding in the event such sensitive information is disclosed in advance of the completion of the Transaction.

8. The salutary effects of a sealing order with respect to the Second Confidential Report outweigh any considerations relating to the public interest in open and accessible court proceedings.
9. Paragraphs 3, 25 and 32 of the Receivership Order, and paragraphs 4 and 5 of the Order made herein on January 26, 2016.
10. Section 95 of *The Corporations Act*, C.C.S.M. c. C225.
11. Sections 37 and 77 of *The Court of Queen's Bench Act*, C.C.S.M. c. C280.
12. Rules 2.03, 3.02, 16.08 and 37 of the *Queen's Bench Rules*, M.R. 553/88, as amended.
13. Such further and other grounds as counsel for the Receiver may advise and as this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Second Report, dated March 30, 2016;
2. The Second Confidential Report, dated March 30, 2016;
3. The First Report, dated January 19, 2016;
4. The First Confidential Report, dated January 19, 2016;
5. The Affidavit of Gary Ivany sworn October 2, 2015; and

6. Such further and other documentary evidence as counsel for the Receiver may advise and as this Honourable Court may permit.

March 31, 2016

Thompson Dorfman Sweatman LLP
201 Portage Avenue, Suite 2200
Winnipeg MB R3B 3L3
Ross A. McFadyen
Telephone: 204-934-2378
Fax: 204-934-0538
E-mail: ram@tdslaw.com
Counsel for the receiver and
manager of the defendants, Ernst &
Young Inc.

TO: THE SERVICE LIST (as of March 31, 2016)

SCHEDULE "A"

File No. CI 15-01-98054

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.

APPROVAL AND VESTING ORDER

Thompson Dorfman Sweatman LLP
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(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 8th day of April, 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

BETWEEN:

ROYAL BANK OF CANADA,

plaintiff,

- and -

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

defendants.

APPROVAL AND VESTING ORDER

THIS MOTION, made by Ernst & Young Inc. (the "Receiver"), in its capacity as the Court-appointed receiver and manager of the undertaking, property and assets of the defendants, for an order approving the sale transaction (the "Transaction") contemplated by the Asset Purchase Agreement (the "Sale Agreement") between the Receiver, as vendor, and Spud Plains Farms Ltd., A&A Farms Ltd., TA Farms Ltd. and A&M Potato Growers Ltd., as purchasers (the "Purchasers"), entered into by the Receiver and Purchasers on April 1, 2016,

substantially in the form appended to the Second Confidential Report of the Receiver dated March 30, 2016 (the "Second Confidential Report"), and vesting in the Purchasers the defendants' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at the Winnipeg Law Courts Building, 408 York Avenue in Winnipeg, Manitoba.

ON READING the Second Report of the Receiver dated March 30, 2016 (the "Second Report") and the Second Confidential Report, and on hearing the submissions of counsel for the Receiver, the plaintiff, the defendants and •, no one appearing for any other interested party, although properly served as appears from the Affidavit of Service of Ross A. McFadyen affirmed April •, 2016:

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Second Report and the Second Confidential Report and any other materials relating thereto is hereby abridged and validated so that this motion is property returnable today and further service is hereby dispensed with.
2. THIS COURT ORDER AND DECLARES that the Transaction is hereby approved, and the execution and delivery of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's Certificate to the Purchasers substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the defendants' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchasers, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), security agreements, pledges, hypothecations, assignments, deposit arrangements, hypothecs, mortgages, leases, rights of others including, without limitation, rights of first refusal or purchase options, deeds of trust, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (statutory or otherwise), financing statements, preferential arrangements of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or conditions which in substance secures payment or performance of any obligations, rights of action, claims, demands or equities of any nature whatsoever, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges (the "Charges") created by the Order of The Honourable Mr. Justice Schulman made herein dated October 8, 2015, as amended, restated or supplemented from time to time (the "Receivership Order"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act* (Manitoba) or any other personal property registry system; and (iii) those Claims listed on Schedule B hereto,

(all of which Claims and the Charges and encumbrances in subparagraphs (i),(ii) and (iii) are collectively referred to herein as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C hereto (the "Permitted Encumbrances")) and, for greater certainty, this Court orders that, upon the delivery of the said Receiver's Certificate, all of the Encumbrances affecting or relating to the Purchased Assets shall be expunged and discharged as against the Purchased Assets

4. THIS COURT ORDERS AND DIRECTS that upon delivery of the Receiver's Certificate to the Purchasers substantially in the form attached as Schedule A hereto, the District Registrar of the applicable Land Titles Office in the Province of Manitoba shall immediately cancel the Certificates of Title listed in Schedule B hereto now standing in the name of the defendants and shall immediately thereafter issue new Certificates of Title in the name of the designated Purchaser(s) as identified in Schedule B, free and clear from any and all Encumbrances except those Permitted Encumbrances identified in Schedule C hereto, notwithstanding that the time for appeal of this Approval and Vesting Order has not expired and notwithstanding that all interested parties have not consented to this Approval and Vesting Order.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Encumbrances, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and

after the delivery of the Receiver's Certificate, all Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale

6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the defendants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the defendants;

the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that is appointed in respect of the defendants and shall not be void or voidable by creditors of the defendants, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the

Bankruptcy and Insolvency Act (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation

8. THIS COURT ORDERS AND DECLARES that the Second Confidential Report shall be treated as confidential and sealed and shall neither form part of the public record nor be disclosed to any party to this proceeding or otherwise, except:

- (a) by further Order of the Court, following notice to the Receiver of such motion; or
- (b) upon the date on which the Receiver files with the Court the Receiver's Certificate in accordance with paragraph 6 hereof certifying that the Transaction has closed to the satisfaction of the Receiver;

whichever shall first occur, whereupon the Second Confidential Report shall form part of the public record and no longer be sealed.

9. THIS COURT APPROVES the Second Report and the activities of the Receiver described therein, including the Receiver's Interim Statement of Receipts and Disbursements. All capitalized terms not otherwise defined herein shall have the meanings set out in the Second Report.

10. 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. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. 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. Approval as to the form of this Order by any interested parties is also hereby dispensed with.

April 8, 2016

JUSTICE CHARTIER

SCHEDULE "A"

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.

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Chartier of the Manitoba Court of Queen's Bench (the "Court") dated October 8, 2015, Ernst & Young Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the defendants, Keller & Sons Farming Ltd. and Keller Holdings Ltd. (the "Debtors").

B. Pursuant to an Order of the Court dated April •, 2016, the Court approved the agreement of purchase and sale made as of March •, 2016 (the "Sale Agreement") between the Receiver, as vendor, and Spud Plain Farms Ltd., Adriaansen Farms Ltd., TA Farms Ltd. and A&M Potato Growers Ltd., as purchasers (collectively, the "Purchasers"), and provided for the vesting in the Purchasers of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for

the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchasers have paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [TIME] on [DATE].

March •, 2016

Ernst & Young Inc., in its capacity
as Receiver of the undertaking,
property and assets of the Debtors,
and not in its personal capacity

Per: _____

Name: Joe A. Healey, CPA, CA,
CIRP

Title: Senior Vice President

SCHEDULE "B"

**REAL PROPERTY TO BE VESTED - ENCUMBRANCES TO BE EXPUNGED
Based on Searches dated September 23, 2015 [UPDATE THIS?]**

DESIGNATED PURCHASER(S)	TITLE NO.	LEGAL DESCRIPTION	CHARGES TO BE DELETED
1 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	1478927/2	NW 1/4 3-11-16 WPM EXC: FIRSTLY: ROAD PLAN 1721 WPM SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN DEEDS NOS. 119555 AND 137952	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada Amending Agreement No. 1362627/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
2 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	1478929/2	SW 1/4 33-10-16 WPM EXC: FIRSTLY: SLY 1320 FEET PERP SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN DEED NO. 98161	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada Amending Agreement No. 1362627/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
3 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	1478934/2	S 1/2 3-11-16 WPM EXC: FIRSTLY: RLY PLAN 50 BLTO SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN DEEDS NOS. 119555 AND 137952	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada

			Bank of Canada Amending Agreement No. 1362627/2, Royal Bank of Canada Mortgage No. 1378561/2, Karen Elizabeth Keller
4 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	1478935/2	PARCEL ONE: ALL THAT PORTION OF SE 1/4 4-11-16 WPM WHICH LIES SOUTH OF RLY PLAN 50 BLTO EXC AN UNDIVIDED 1/2 INTEREST IN ALL MINES AND MINERALS OTHER THAN COAL AS SET FORTH IN TRANSFER NO. 94826 PARCEL TWO: ALL THAT PORTION OF SW 1/4 4-11-16 WPM WHICH LIES SOUTH OF RLY PLAN 50 BLTO PARCEL THREE: ALL THAT PORTION OF S 1/2 5-11-16 WPM WHICH LIES SOUTH OF RLY PLAN 50 BLTO EXC AN UNDIVIDED 1/2 INTEREST IN ALL MINES AND MINERALS OTHER THAN COAL AS SET FORTH IN TRANSFER NO. R23142 PARCEL FOUR: NE 1/4 32-10-16 WPM EXC ALL MINES AND MINERALS AS RESERVED IN THE GRANT FROM THE CROWN PARCEL FIVE: NW 1/4 32-10-16 WPM PARCEL SIX: N 1/2 OF	Mortgage No. 1289048/2, Royal Bank of Canada Caveat No. 1289049/2, Royal Bank of Canada Personal Property Security Notice No. 1289050/2, Royal Bank of Canada Amending Agreement No. 1362627/2, Royal Bank of Canada Mortgage No. 1378561/2, Karen Elizabeth Keller

5 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one-half interest	1563709/2	NE 1/4 31-10-16 WPM ALL THAT PORTION OF SE 1/4 36-8-17 WPM WHICH LIES SOUTH OF ROAD PLAN 22430 BLTO AND NE OF ROAD NO. 2 AS SHOWN ON SAID PLAN EXC ALL MINES AND MINERALS AS SET FORTH IN TRANSFER NO. 95-9508	Mortgage No. 1289048 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada Amending Agreement No. 1362627/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
6 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	1761158/2	N 1/2 33-10-16 WPM	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada Personal Property Security Notice. No. 1290006/2 , Concentra Financial Services Association Amending Agreement No. 1362627/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
7 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	2355218/2	THE SW 1/4 OF SECTION 2-11-16 WPM EXC: FIRSTLY: RLY PLAN 50 BLTO SECONDLY: ROAD PLAN 411 BLTO AND THIRDLY: ALL MINES AND MINERALS AS RESERVED IN THE GRANT FROM THE	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada

		CROWN	Amending Agreement No. 1362627/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Royal Bank of Canada
8 A&M Potato Growers Ltd. and T.A. Farms Ltd., each as to an undivided one-half interest	2356180/2	PARCEL ONE: THE SLY 1320 FEET PERP OF S/W 1/4 OF SECTION 33-10-16 WPM EXC ALL MINES AND MINERALS AS SET FORTH IN DEED 98161 PARCEL TWO: THE SE 1/4 OF SECTION 33-10-16 WPM EXC ALL MINES AND MINERALS AS SET FORTH IN DEED 98161	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada Amending Agreement No. 1362627/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
9 Spud Plains Farms Ltd., A&M Potato Growers Ltd., T.A. Farms Ltd. and A&A Farms Ltd., each as to an undivided one-fourth interest	2531512/2	THE NE 1/4 OF SECTION 14-8-17 WPM EXC: FIRSTLY: ROAD PLAN 22047 BLTO AND SECONDLY: AN UNDIVIDED 1/2 INTEREST IN ALL MINES AND MINERALS OTHER THAN SAND AND GRAVEL AS SET FORTH IN TRANSFER 106240	Mortgage No. 1291925/2 , Royal Bank of Canada Caveat No. 1291926/2 , Royal Bank of Canada Personal Property Security Notice No. 1291927/2 , Royal Bank of Canada Amending Agreement Including Land No. 1362628/2 , Royal Bank of Canada Mortgage No 1378561/2 , Karen Elizabeth Keller
10 Spud Plains Farms Ltd., A&M Potato Growers Ltd., T.A. Farms Ltd. and A&A Farms Ltd., each as to an undivided one-fourth interest	2531513/2	PARCEL ONE: THE E 1/2 OF SECTION 13-8-17 WPM EXC OUT OF THE SE 1/4 OF SAID SECTION, THE SLY 900 FEET OF THE ELY 900 FEET PARCEL TWO: THE W	Mortgage No. 1289048/2 , Royal Bank of Canada Caveat No. 1289049/2 , Royal Bank of Canada Personal Property Security Notice No. 1289050/2 , Royal Bank of Canada

		1/2 OF SECTION 13-8-17 WPM EXC: FIRSTLY: OUT OF THE S/W 1/4 OF SAID SECTION THE WLY 648.5 FEET PERP OF THE MOST SLY 700 FEET PERP AND SECONDLY: ROAD PLAN 22047 BLTO	Correction No. 1291820/2 Amending Agreement No. 1362627/2 , Royal Bank of Canada re Mortgage No. 1289048/2 Mortgage No. 1378561/2 , Karen Elizabeth Keller
11 Spud Plains Farms Ltd., A&M Potato Growers Ltd., T.A. Farms Ltd. and A&A Farms Ltd., each as to an undivided one-fourth interest	2730198/2	THE NE 1/4 OF SECTION 23-8-17 WPM EXC ROAD PLAN 22430 BLTO	Mortgage No. 1291925/2 , Royal Bank of Canada Amending Agreement Including Land No. 1362628/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
12 Spud Plains Farms Ltd. and A&A Farms Ltd, each as to an undivided one-half interest	2757936/2	THE SE 1/4 OF SECTION 13-9-17 WPM EXC ALL MINES AND MINERALS AS SET FORTH IN DEED 98223	Mortgage No. 1289056/2 , Royal Bank of Canada Caveat No. 1289057/2 , Royal Bank of Canada Personal Property Security Notice No. 1289058/2 , Royal Bank of Canada Amending Agreement No. 1362626/2 , Royal Bank of Canada Mortgage No. 1378561/2 , Karen Elizabeth Keller
13 Spud Plains Farms Ltd.	2757937/2	THE E 1/2 OF SECTION 30-10-17 WPM EXC: FIRSTLY: OUT OF SE 1/4 OF SAID SECTION, ROAD PLAN 1376 BLTO SECONDLY: OUT OF THE SE 1/4 THAT PORTION TAKEN FOR RIGHT OF WAY FOR ELECTRIC TRANSMISSION LINE PLAN 1055 BLTO THIRDLY: ALL SAND	Mortgage No. 1289056/2 , Royal Bank of Canada Caveat No. 1289057/2 , Royal Bank of Canada Personal Property Security Notice No. 1289058/2 , Royal Bank of Canada Amending Agreement No. 1362626/2 , Royal Bank of

		AND GRAVEL AS SET FORTH IN TRANSFER 1111294 FOURTHLY: ALL MINES AND MINERALS AS SET FORTH IN TRANSFERS 93890, R24598 AND 1111294	Canada Caveat No. 1305810/2
14 Spud Plains Farms Ltd.	2757938/2	THE NW 1/4 OF SECTION 29-10-17 WPM EXC ALL MINES AND MINERALS AND SPECIAL RESERVATIONS AS RESERVED IN THE GRANT FROM THE CROWN	Mortgage No. 1289056/2 , Royal Bank of Canada Caveat No. 1289057/2 , Royal Bank of Canada Personal Property Security Notice No. 1289058/2 , Royal Bank of Canada Amending Agreement No. 1362626/2 , Royal Bank of Canada
15 Spud Plains Farms Ltd.	2757939/2	THE NE 1/4 OF SECTION 29-10-17 WPM EXC: FIRSTLY: ALL SAND AND GRAVEL AS SET FORTH IN TRANSFER 1111294 SECONDLY: ALL MINES AND MINERALS AS RESERVED IN THE GRANT FROM THE CROWN	Mortgage No. 1289056/2 , Royal Bank of Canada Caveat No. 1289057/2 , Royal Bank of Canada Personal Property Security Notice No. 1289058/2 , Royal Bank of Canada Amending Agreement No. 1362626/2 , Royal Bank of Canada
16 Spud Plains Farms Ltd.	2757940/2	THE SE 1/4 OF SECTION 29-10-17 WPM EXC: FIRSTLY: TRANSMISSION LINE PLAN 1055 BLTO SECONDLY: ROAD PLAN 1376 BLTO THIRDLY: ALL RESERVATIONS IN FAVOR OF THE CROWN AS SET FORTH IN THE CROWN LANDS ACT	Mortgage No. 1289056/2 , Royal Bank of Canada Caveat No. 1289057/2 , Royal Bank of Canada Personal Property Security Notice No. 1289058/2 , Royal Bank of Canada Amending Agreement No. 1362626/2 , Royal Bank of Canada
17 Spud Plains	2757941/2	THE SW 1/4 OF	Mortgage No. 1289056/2 ,

Farms Ltd.		SECTION 29-10-17 WPM EXC: FIRSTLY: ROAD PLAN 1376 BLTO SECONDLY: TRANSMISSION RIGHT OF WAY PLAN 1055 BLTO THIRDLY: ALL RESERVATIONS IN FAVOUR OF THE CROWN AS SET OUT IN THE CROWN LANDS ACT	Royal Bank of Canada Caveat No. 1289057/2 , Royal Bank of Canada Personal Property Security Notice No. 1289058/2 , Royal Bank of Canada Amending Agreement No. 1362626/2 , Royal Bank of Canada
18 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one- half interest	1564309/4	PARCEL I: NW 1/4 32-8- 16 WPM EXCEPTING THEREOUT - ALL MINES AND MINERALS AS SET FORTH IN TRANSFER NOS. 38144 MTLO (C DIV), 49651 MLTO (C DIV) AND 142630 MLTO PARCEL II: THE S 1/2 32-8-16 WPM EXCEPTING THEREOUT - ALL MINES AND MINERALS AS SET FORTH IN REAL PROPERTY APPLICATION 3810 MLTO AND TRANSFER 142630 MLTO	Mortgage No. 1159694/4 , Royal Bank of Canada Caveat No. 1159695/4 , Royal Bank of Canada Personal Property Security Notice No. 1159696/4 , Royal Bank of Canada Amending Agreement No. 1194419/4 , Royal Bank of Canada Mortgage No. 1203492/4 , Karen Elizabeth Keller
19 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one- half interest	1829782/4	PARCEL 1: NW 1/4 30-8- 16 WPM EXCEPTING - ALL MINES AND MINERALS IN TRANSFER NOS. 38148 MLTO (C DIV), 49604 MLTO (C DIV) AND 60416 MLTO (C DIV) PARCEL II: SW 1/4 31-8- 16 WPM EXCEPTING FIRSTLY: ROAD PLAN 22420 MLTO SECONDLY: ALL MINES AND MINERALS AS IN	Mortgage No. 1159694/4 , Royal Bank of Canada Caveat No. 1159695/4 , Royal Bank of Canada Personal Property Security Notice No. 1159696/4 , Royal Bank of Canada Amending Agreement No. 1194419/4 , Royal Bank of Canada Mortgage No. 1203492/4 ,

		TRANSFER 22606 MLTO (C DIV) PARCEL III: E 1/2 31-8-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS AS IN DEED 30081 MLTO (C DIV) SECONDLY: THE NLY 1320 FEET PERP OF NE 1/4 PARCEL IV: NW 1/4 31-8-16 WPM EXCEPTING: FIRSTLY: ROAD PLAN 22420 MLTO SECONDLY: ALL COAL, PETROLEUM AND VALUABLE STONE IN DEED 38457 MLTO (C DIV)	Karen Elizabeth Keller
20 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one-half interest	1905772/4	THE SLY 1320 FEET PERP OF SW 1/4 6-9-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 49603 MLTO AND 60417 MLTO SECONDLY: ROAD PLAN 22422 MLTO	Mortgage No. 1159694/4, Royal Bank of Canada Caveat No. 1159695/4, Royal Bank Canada Personal Property Security Notice No. 1159696/4, Royal Bank of Canada Amending Agreement No. 1194419/4. Royal Bank of Canada Mortgage No. 1203492/4, Karen Elizabeth Keller
21 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one-half interest	1905774/4	SW 1/4 6-9-16 WPM EXCEPTING: FIRSTLY: THE SLY 1320 FEET PERP SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 49603 MLTO AND 60417 MLTO THIRDLY: ROAD PLAN 22422 MLTO	Mortgage No. 1159694/4, Royal Bank of Canada Caveat No. 1159695/4, Royal Bank of Canada Personal Property Security Notice No. 1159696/4, Royal Bank of Canada Amending Agreement No.

			1194419/4 , Royal Bank of Canada
22 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one-half interest	2358095/4	THE NE 1/4 OF SECTION 30-8-16 WPM	Mortgage No. 1159694/4 , Royal Bank of Canada Caveat No. 1159695/4 , Royal Bank of Canada Personal Property Security Notice No. 1159696/4 , Royal Bank of Canada Amending Agreement No. 1194419/4 , Royal Bank of Canada Mortgage No. 1203492/4 , Karen Elizabeth Keller
23 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one-half interest	2153770/4	PARCEL I: SW 1/4 5-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS RESERVED IN TRANSFER NOS. 38144 MLTO (C DIV), 49651 MLTO (C DIV) AND 142630 MLTO (C DIV) PARCEL II: NE 1/4 5-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS IN REAL PROPERTY APPLICATION 3810 MLTO AND TRANSFER 142630 MLTO. PARCEL III: NW 1/4 5-9-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS IN TRANSFER 142630 MLTO OTHER THAN THE MINES AND MINERALS RESERVED IN DEED 30081 MLTO (C DIV) SECONDLY: ALL MINES AND MINERALS AS IN	Mortgage No. 1159697/4 , Royal Bank of Canada Caveat No. 1159698/4 , Royal Bank of Canada Personal Property Security Notice No. 1159699/4 , Royal Bank of Canada Amending Agreement No. 1194418/4 , Royal Bank of Canada Mortgage No. 1203492/4 , Karen Elizabeth Keller

		DEED 30081 MLTO (C DIV) THIRDLY: THE NLY 1320 FEET PERP	
24 Spud Plains Farms Ltd. and A&A Farms Ltd., each as to an undivided one-half interest	2153771/4	PARCEL I: NW 1/4 6-9-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS AS RESERVED IN THE ORIGINAL GRANT FROM THE CROWN. SECONDLY: PUBLIC ROAD PLAN NO. 22422 MLTO PARCEL II: SE 1/4 6-9-16 WPM EXCEPTING ALL MINES AND MINERALS IN TRANSFER NOS. 38146 MLTO (C DIV), 49603 MLTO (C DIV) AND 60417 MLTO (C DIV) PARCEL III: NE 1/4 6-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS IN TRANSFER NOS. 38146 MLTO (C DIV), 49603 MLTO (C DIV) AND 60417 MLTO (C DIV)	Mortgage No. 1159697/4, Royal Bank of Canada Caveat No. 1159698/4, Royal Bank of Canada Personal Property Security Notice No. 1159699/4, Royal Bank of Canada Amending Agreement No. 1194418/4, Royal Bank of Canada re Mortgage No. 1159697/4 Mortgage No. 1203492/4, Karen Elizabeth Keller

SCHEDULE "C"

PERMITTED ENCUMBRANCES, EASEMENTS & RESTRICTIVE COVENANTS
Based on Searches dated September 23, 2015 [NTD: update?]

	TITLE NO.	LEGAL DESCRIPTION	ACTIVE CHARGES
1	1478927/2	NW 1/4 3-11-16 WPM EXC: FIRSTLY: ROAD PLAN 1721 WPM SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN DEEDS NOS. 119555 AND 137952	Caveat No. 93-1180/2 , Manitoba Telephone System Caveat No. 1083785/2 , MTS Communications Inc.
2	1478934/2	S 1/2 3-11-16 WPM EXC: FIRSTLY: RLY PLAN 50 BLTO SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN DEEDS NOS. 119555 AND 137952	Caveat No. 1083785/2 , MTS Communications Inc.
3	1478935/2	PARCEL ONE: ALL THAT PORTION OF SE 1/4 4-11- 16 WPM WHICH LIES SOUTH OF RLY PLAN 50 BLTO EXC AN UNDIVIDED 1/2 INTEREST IN ALL MINES AND MINERALS OTHER THAN COAL AS SET FORTH IN TRANSFER NO. 94826 PARCEL TWO: ALL THAT PORTION OF SW 1/4 4- 11-16 WPM WHICH LIES SOUTH OF RLY PLAN 50 BLTO PARCEL THREE: ALL THAT PORTION OF S 1/2 5-11-16 WPM WHICH LIES SOUTH OF RLY PLAN 50 BLTO EXC AN UNDIVIDED 1/2 INTEREST IN ALL MINES AND MINERALS OTHER THAN COAL AS SET	Caveat No. 1123687/2 , MTS Communications Inc.

		FORTH IN TRANSFER NO. R23142 PARCEL FOUR: NE 1/4 32-10-16 WPM EXC ALL MINES AND MINERALS AS RESERVED IN THE GRANT FROM THE CROWN. PARCEL FIVE: NW 1/4 32-10-16 WPM. PARCEL SIX: N 1/2 OF NE 1/4 31-10-16 WPM.	
4	1563709/2	ALL THAT PORTION OF SE 1/4 36-8-17 WPM WHICH LIES SOUTH OF ROAD PLAN 22430 BLTO AND NE OF ROAD NO. 2 AS SHOWN ON SAID PLAN EXC ALL MINES AND MINERALS AS SET FORTH IN TRANSFER NO. 95-9508	Caveat No. 1105115/2, MTS Communications Inc. Caveat No. 1329993/2, The Manitoba Hydro Electric Board
5	1761158/2	N 1/2 33-10-16 WPM.	Caveat No. 1117046/2 , MTS Communications Inc.
6	2531512/2	THE NE 1/4 OF SECTION 14-8-17 WPM EXC: FIRSTLY: ROAD PLAN 22047 BLTO AND SECONDLY: AN UNDIVIDED 1/2 INTEREST IN ALL MINES AND MINERALS OTHER THAN SAND AND GRAVEL AS SET FORTH IN TRANSFER 106240	Caveat No. 1031627/2, MTS Netcom Inc. Caveat No. 1127809/2, MTS Communications Inc.
7	2531513/2	PARCEL ONE: THE E 1/2 OF SECTION 13-8-17 WPM EXC OUT OF THE SE 1/4 OF SAID SECTION, THE SLY 900 FEET OF THE ELY 900 FEET PARCEL TWO: THE W 1/2 OF SECTION 13-8-17 WPM EXC: FIRSTLY: OUT OF THE	Caveat No. 89-3162/2, The Manitoba Hydro-Electric Board, etal Right of Way Declaration No. 1343244/2

		SW 1/4 OF SAID SECTION THE WLY 648.5 FEET PERP OF THE MOST SLY 700 FEET PERP AND SECONDLY: ROAD PLAN 22047 BLTO	
8	2730198/2	THE NE 1/4 OF SECTION 23-8-17 WPM EXC ROAD PLAN 22430 BLTO	Caveat No. 1031625/2 , MTS Netcom Inc.
9	2757937/2	THE E 1/2 OF SECTION 30-10-17 WPM EXC: FIRSTLY: OUT OF SE 1/4 OF SAID SECTION, ROAD PLAN 1376 BLTO SECONDLY: OUT OF THE SE 1/4 THAT PORTION TAKEN FOR RIGHT OF WAY FOR ELECTRIC TRANSMISSION LINE PLAN 1055 BLTO THIRDLY: ALL SAND AND GRAVEL AS SET FORTH IN TRANSFER 1111294 FOURTHLY: ALL MINES AND MINERALS AS SET FORTH IN TRANSFERS 93890, R24598 AND 1111294	Caveat No. R7066/2 , Inter City Gas Limited Caveat No. R14157/2 , The Queen in Right of the Province of Manitoba Caveat No. R17396/2 , Inter City Gas Transmission Ltd.
10	2757940/2	THE SE 1/4 OF SECTION 29-10-17 WPM EXC: FIRSTLY: TRANSMISSION LINE PLAN 1055 BLTO SECONDLY: ROAD PLAN 1376 BLTO THIRDLY: ALL RESERVATIONS IN FAVOR OF THE CROWN AS SET FORTH IN THE CROWN LANDS ACT	Caveat No. R6509/2 , Inter City Gas Ltd. Caveat No. R17395/2 , Inter City Gas Transmission Ltd.
11	2757941/2	THE SW 1/4 OF SECTION 29-10-17 WPM EXC: FIRSTLY: ROAD PLAN 1376 BLTO SECONDLY: TRANSMISSION RIGHT OF WAY PLAN 1055 BLTO	Caveat No. R6513/2 , Inter City Gas Limited Caveat No. R25241 , Inter City Gas Transmission Limited

		THIRDLY: ALL RESERVATIONS IN FAVOUR OF THE CROWN AS SET OUT IN THE CROWN LANDS ACT	
12	1564309/4	PARCEL I: NW 1/4 32-8-16 WPM EXCEPTING THEREOUT ALL MINES AND MINERALS AS SET FORTH IN TRANSFER NOS. 38144 MLTO (C DIV), 49651 MLTO (C DIV) AND 142630 PARCEL II: THE S 1/2 32-8-16 WPM EXCEPTING THEREOUT ALL MINES AND MINERALS AS SET FORTH IN REAL PROPERTY APPLICATION 3810 MLTO AND TRANSFER 142630 MLTO	Caveat No. 1047284/4, Oakview Pork Ltd. Caveat No. 1058693/4, Oakview Pork Ltd. Request Correction No. 1160340/4
13	1829782/4	PARCEL I: NW 1/4 30-8-16 WPM EXCEPTING ALL MINES AND MINERALS IN TRANSFER NOS. 38148 MLTO (C DIV), 49604 MLTO (C DIV) AND 60416 MLTO (C DIV) PARCEL II: SW 1/4 31-8-16 WPM EXCEPTING: FIRSTLY: ROAD PLAN 22420 MLTO SECONDLY: ALL MINES AND MINERALS AS IN TRANSFER 22606 MLTO (C DIV) PARCEL III: E 1/2 31-8-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS AS IN DEED 30081 MLTO (C DIV) SECONDLY: THE NLY 1320 FEET PERP OF NE 1/4	Caveat No. 1023298/4, The Manitoba Hydro-Electric Board Caveat No. 1047282/4, Dominant and Servient Easement Agreement Caveat No. 1047284/4, Oakview Pork Ltd. Caveat No. 1050713/4, MTS Communications Inc. Caveat No. 1058693/4, Oakview Pork Ltd. Caveat No. 1207174/4, Shilo Farms Ltd.

		PARCEL IV: NW 1/4 31-8-16 WPM EXCEPTIN: FIRSTLY: ROAD PLAN 22420 MLTO SECONDLY: ALL COAL, PETROLEUM AND VALUABLE STONE IN DEED 38457 MLTO (C DIV)	
14	1905772/4	THE SLY 1320 FEET PERP OF SW 1/4 6-9-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 49603 MLTO AND 60417 MLTO SECONDLY: ROAD PLAN 22422 MLTO	Caveat No. 1060976/4 , Oakview Pork Ltd.
15	1905774/4	SW 1/4 6-9-16 WPM EXCEPTING: FIRSTLY: THE SLY 1320 FEET PERP SECONDLY: ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 49603 MLTO AND 60417 MLTO THIRDLY: ROAD PLAN 22422 MLTO	Caveat No. 1060976/4 , Oakview Pork Ltd.
16	2358095/4	THE NE 1/4 OF SECTION 30-8-16 WPM	Caveat No. 1023805/4 , The Manitoba Hydro-Electric Board
17	2153770/4	PARCEL 1: SW 1/4 5-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS RESERVED IN TRANSFER NOS. 38144 MLTO (C DIV), 49651 MLTO (C DIV) AND 142630 MLTO (C DIV) PARCEL II: NE 1/4 5-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS IN REAL PROPERTY APPLICATION 3810 MLTO AND TRANSFER 142630 MLTO	Caveat No. 1047283/4 , Oakview Pork Ltd.

		PARCEL III: NW 1/4 5-9-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS IN TRANSFER 142630 MLTO OTHER THAN THE MINES AND MINERALS RESERVED IN DEED 30081 MLTO (C DIV) SECONDLY: ALL MINES AND MINERALS AS IN DEED 30081 MLTO (C DIV) THIRDLY: THE NLY 1320 FEET PERP	
18	2153771/4	PARCEL I: NW 1/4 6-9-16 WPM EXCEPTING: FIRSTLY: ALL MINES AND MINERALS AS RESERVED IN THE ORIGINAL GRANT FROM THE CROWN. SECONDLY: PUBLIC ROAD PLAN NO. 22422 MLTO PARCEL II: SE 1/4 6-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS IN TRANSFER NOS. 38862 MLTO (C DIV), 49603 MLTO (C DIV), 60417 MLTO (C DIV) PARCEL III: NE 1/4 6-9-16 WPM EXCEPTING ALL MINES AND MINERALS AS IN TRANSFER NOS. 38146 MLTO (C DIV), 49603 MLTO (C DIV) AND 60417 MLTO (C DIV)	Caveat No. 1047283/4, Oakview Pork Ltd. Caveat No. 1058692/4, Oakview Pork Ltd.