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.

ERNST & YOUNG INC.
Receiver of Keller & Sons Farming Ltd. and Keller Holdings Ltd.

SECOND REPORT OF THE RECEIVER

March 30, 2016

INTRODUCTION

1. On October 8, 2015 this Honourable Court granted an Order (the "Order") appointing Ernst & Young Inc. as receiver ("EY" or the "Receiver") of all the assets, property and undertaking of Keller & Sons Farming Ltd. ("KSF") and Keller Holdings Ltd. ("Holdings") (collectively "Keller") pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and Section 55 of *The Court of Queen's Bench Act*, C.C.S.M. c. C280.

2. EY filed its first report dated January 19, 2016 (the "First Report"), which provided information to this Honourable Court on the background of Keller, the activities of the Receiver, the Receiver's efforts to sell the assets of Keller and the Receiver's recommendations and conclusions. On the same date, the Receiver also filed its first confidential report (the "First Confidential Report") that was subject to the Receiver's application for an order to seal certain commercially sensitive material from the public record.

3. The purpose of this second report of the Receiver (the "Second Report") is to advise and update this Honourable Court with respect to:

   a) the activities of the Receiver since the date of the First Report;

   b) the Receiver's efforts to sell the assets of Keller;

   c) the Receiver's interim statement of receipts and disbursements; and

   d) the Receiver's conclusions and recommendations.

4. Concurrently with the filing of this First Report, the Receiver has filed its second confidential report (the "Second Confidential Report") to provide information to this Honourable Court that is subject to the Receiver's motion to seal certain commercially sensitive material from the public record. The Second Confidential Report includes:

a) An appraisal of Keller's land, buildings and related irrigation infrastructure equipment (the "Keller Lands") prepared in November 2015 by Keystone Appraisals, as well as an update letter prepared in November 2015 by the Red River Group in respect of its appraisal of the Keller Lands prepared in April 2015;

b) An update on the results of the sale and investor solicitation process for Keller's land, buildings and related irrigation and infrastructure equipment;

c) An agreement of purchase and sale between the Receiver and Spud Plains Farms Ltd. ("Spud Plains"), A&A Farms Ltd. ("AAFL"), T.A. Farms Ltd. ("TAFL"), and A&M Potato Growers Ltd. ("AMPGL") (each of Spud Plains, AAFL, TAFL and AMPGL are collectively referred to as the "Adriaansen Group"); and

d) The Receiver's analysis of the proposed sale.

5. The Receiver is of the view that if disclosed in the public domain at this time, the material contained in the Second Confidential Report would have a material adverse effect on the ability of the Receiver to maximize the value to be obtained for Keller's assets in the circumstances.

6. Upon request, the Receiver will consider providing copies of the Second Confidential Report to legal counsel to certain parties on the Service List, upon the provision of a written undertaking that counsel will keep the contents confidential, and will only disclose the contents of the Second Confidential Report to designated personnel at their clients, who will provide the Receiver with an executed confidentiality agreement, the form of which was attached as Appendix "A" to the First Report. If any other party requests a copy of the Second Confidential Report, or if the Receiver is of the view that the party has no valid business purpose to review the Second Confidential Report, the Receiver will advise this Honourable Court accordingly at the time of the hearing of the sealing motion.

7. The Receiver notes that the Service List includes Keller and Shilo Farms Ltd. ("SFL"), both of whom are involved with unsuccessful offers to purchase certain Keller assets as more particularly described in the Second Confidential Report. The Receiver is of the view that providing these parties with the Second Confidential Report would not be appropriate in the circumstances, and would provide these parties with material inside information on asset valuation and other potential purchasers which may have a detrimental effect on the Receiver's ability to maximize the value to be obtained for Keller's assets or to close any transactions for the sale of such assets.

8. Capitalized terms not defined herein are as defined in in the Order or the First Report.

DISCLAIMER

9. In preparing this Second Report, the Receiver has relied upon unaudited financial information, books and records of Keller, financial information prepared by Keller and discussions with management of Keller and the Applicant.

10. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants (Canada) Handbook. Accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in this Second Report.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND OF KELLER

12. As described in the First Report, KSF owns a number of the Keller land parcels as well as the farm equipment and rolling stock used in Keller's operations. Holdings

is a company related to KSF by way of common ownership, whose principal asset comprises various land parcels used in Keller's operation.

13. KSF and Holdings are controlled by Mr. Markus Keller, who lives in a residential dwelling on one of the Keller land parcels. Mr. Keller's parents also live in an adjacent residential dwelling on one of the Keller land parcels.

14. Keller has historically leased additional potato fields from the adjacent landowner, Shilo Farms Ltd. ("SFL"). For the 2015 growing season, SFL entered into a lease with Keller for all of the KSF and Holdings land parcels (the "SFL Lease").

ACTIVITIES OF THE RECEIVER SINCE JANUARY 19, 2016

Creditor/Stakeholder Communications

15. The Receiver has established a web-site (www.ey.com/ca/keller) to facilitate communications with creditors and stakeholders. Copies of the First Report, the Second Report, notices to creditors, and orders granted by this Honourable Court have been posted to the web site.

16. The Receiver has responded to numerous creditor queries since the date of the receivership. Creditors' queries involving potential claims ranking in priority to the security of the plaintiff Royal Bank of Canada ("RBC") have been forwarded to the Receiver's legal counsel for review.

Protection and Preservation of Assets – Insurance

17. Prior to the receivership, Keller maintained liability, equipment and premises insurance through Wawanesa Insurance. The Receiver renewed Keller's coverage effective as of the policy anniversary of February 3, 2016, and the Receiver has been added as a loss payee.

18. The Receiver has arranged for continued coverage of KSF's vehicles and rolling stock through Manitoba Public Insurance ("MPI"). Subsequent to the sale of the

Keller equipment by auction, the Receiver requested that MPI cancel all insurance and registrations on Keller's rolling stock assets, and process refunds to the Receiver for all unearned vehicle insurance premiums.

Employee Matters

19. Effective November 2, 2015, all employees providing services to SFL were terminated by KSF. Pursuant to instructions from the Receiver, former Keller staff prepared and mailed T4 slips to former Keller employees, and has filed such T4 slips with Canada Revenue Agency ("CRA").

20. The Receiver is aware of pre-receivership arrears for unpaid source deductions, but is not yet in a position to conclusively determine the liability owed to CRA by KSF. The Receiver has made multiple written and verbal requests to CRA, however the Receiver has not yet been identified as an "authorized contact" within CRA's internal systems.

Site Visits and Maintenance

21. The Receiver has maintained a regular presence at Keller's farm site for the purposes of periodically monitoring the equipment and assets, conducting site tours for interested parties, and addressing stakeholder queries.

Irrigation Licences

22. As noted in the First Report, the Receiver met with representatives of the Government of Manitoba (Water Stewardship Branch) to review the status of issued and outstanding irrigation licences and irrigation upgrade projects on the Keller Lands. The Receiver has caused its legal counsel to add Water Stewardship officials to the Service List.

23. The Receiver has recently spoken with Water Stewardship officials and advised that it intended to apply to this Honourable Court for an approval and vesting order in respect of a sale of the Keller Lands. Water Stewardship officials have

reconfirmed their earlier advice that it is their intention to cancel the existing irrigation licences and re-issue new licences in favour of the proposed purchaser.

Life Insurance

24. KSF is the registered owner of two life insurance policies, with aggregate coverage in the amount of $1,000,000 issued by Sun Life Assurance Company ("Sun Life"), insuring the lives of Mr. Keller's parents, Josef and Maria Keller. The Receiver has confirmed that these policies have a cash surrender value of approximately $127,000.

25. Mr. Keller had requested that the Receiver provide its authorization for Mr. Keller to assume responsibility for payment of the policy premiums, however Mr. Keller was not prepared to pay the Receiver the cash surrender value. As a result, the Receiver intends to arrange for the cancellation of the policies in order to realize upon the cash surrender value for the stakeholders of Keller.

Equipment

26. KSF's equipment (the "KSF Equipment") was comprised primarily of specialized farm equipment, farm support vehicles, a fleet of trucks and trailers for transporting crops from fields to storage or processing facilities and miscellaneous other equipment.

27. Pursuant to an order of this Honourable Court dated January 26, 2016 (the "January 2016 Order"), the portion of the SFL Lease related to the KSF Equipment was terminated to facilitate preparation for a public, unreserved auction sale by Ritchie Bros. Auctioneers (Canada) Ltd. ("Ritchie") on March 17, 2016 (the "Auction").

28. Subsequent to the January 2016 Order, Mr. Keller objected to the Receiver conducting the Auction at the Keller farm site, citing food safety concerns in respect of SFL potato inventory stored at the site in Keller's storage facilities.

Based on the recommendation of Ritchie, an alternative auction site was identified west of Brandon, MB, approximately 40 km west of the Keller farm site.

29. The results of the Auction are described later in this Second Report.

Equipment – damage claims

30. Upon the delivery of certain pieces of KSF Equipment to the Auction site, the Receiver and Ritchie observed that certain pieces of equipment were damaged (with such damage allegedly caused by SFL and/or Mr. Keller), or had not been maintained in accordance with the terms of the SFL Lease. The Receiver arranged for critical repairs to be completed prior to the Auction.

31. In aggregate, the Receiver expended $31,600.43 on equipment repairs. SFL has been notified of the specifics of the damage claims and the amounts will be added to the claims made against SFL as described in the First Report.

32. The most significant damage was caused to a 2013 John Deere 4940 High Clearance Sprayer (the “Sprayer”). The damage was caused as a result of (a) an impact with a train during the 2015 growing season and (b) a lack of proper winterization of the Sprayer prior to delivery to the Auction site.

33. In December 2015, the Receiver advised SFL in writing that the damage to the Sprayer that was caused by the train impact must be repaired prior to returning the unit to the Receiver. Upon delivery of the unit to the Auction site, the Sprayer was inspected and the Receiver was advised by technicians from the local John Deere dealership that the most critical damage to an inner boom section had been repaired, but significant damage from the train impact to the outer booms remained.

34. Prior to delivery, Mr. Keller advised the Receiver in writing that if he drained the Sprayer properly, it would not require winterization at the local John Deere

dealership. Subsequent to delivery, significant freezing damage was noted to the Sprayer's flexible hose lines.

35. In order to repair the damage from the train impact and the lack of winterization, the Receiver incurred repair charges of approximately $25,600 in respect of the Sprayer.

36. Other damage to the KSF Equipment included severely damaged or broken tractor attachments, broken windows, flat tires, and front end damage. The Receiver has photographed the damage to support its claims.

Equipment – subject to third party ownership claims

37. Certain equipment was used by KSF in ongoing operations but subject to ownership claims by third parties, including SFL, third party lessors, Mr. Keller and his parents. The Receiver was satisfied with the vast majority of the third party claims, and such items were released to the claimants and excluded from the Auction.

38. Certain claims for equipment subject to possible third party ownership claims were not accepted by the Receiver prior to the Auction. Upon notice to the affected parties, these items were sold in the Auction, and the Receiver agreed to hold the specific sale proceeds of these items in trust prior to making any application to distribute the proceeds, upon prior notice to the affected parties.

Equipment – subject to potential prior-ranking security interests

39. As noted in the First Report, the Receiver was contacted by representatives of John Deere Financial ("JDF") and CNH Capital Canada Ltd. ("CNH"), each of whom asserted purchase money security interest ("PMSI") claims against certain KSF Equipment.

40. The Receiver acknowledged the validity of most of the PMSI claims and released the KSF Equipment leased by JDF and CNH, with the exception of a PMSI claim

in respect of a 2011 John Deere D450 Swather, with a 2011 John Deere 635 Draper Head (the "Swather"). The Receiver's legal counsel noted that JDF registered its security interest in the Swather at the Personal Property Registry outside of the time limits required for a valid and priority ranking PMSI claim. As a result, the Swather was included in the Auction and the priority to the sale proceeds of $64,000 will be determined.

41. In April 2015, Mr. Keller and/or SFL contracted with Custom Truck Sales Inc. ("CTS") for engine repairs to a 2008 Kenworth T800 truck owned by KSF (the "T800").

42. CTS disassembled the engine and replaced certain parts during its diagnosis of the required engine repairs. After CTS had fully investigated the issue and estimated the cost of the repairs, SFL determined that it would carry out the remaining required repairs using its own mechanics. As a result, the T800 was partially re-assembled by CTS to enable SFL to tow the unit back to repair shops at the Keller farm site. Invoices issued to SFL for the labour and parts in respect of the initial inspection and diagnosis indicate that possession of the T800 was released by CTS to SFL on May 15, 2015.

43. CTS registered a lien in the Manitoba Personal Property Registry pursuant to *The Garage Keepers Act,* C.C.S.M. c. G10 on June 18, 2015. The business debtor is listed as SFL, although the vehicle serial number for the T800 is correctly identified in the CTS registration.

44. SFL purchased additional parts from CTS to repair the T800 in June and July 2015. The aggregate amount owed to CTS by SFL for repairs to the T800 in respect of the alleged lien claim is $28,893.00, and remains unpaid.

45. Repairs to the T800 were completed by SFL and the unit was used by SFL during the 2015 harvest season.

46. Subsequent to the January 2016 Order and prior to the delivery of the KSF Equipment to the Receiver, SFL and/or Mr. Keller delivered up possession of the T800 to CTS on January 27, 2016.

47. The Receiver contacted CTS by telephone and in writing, and demanded that the T800 be released to the Receiver to enable the unit to be sold via auction. Initially CTS refused to release the T800, however based on discussions between legal counsel for the Receiver and CTS, it was agreed that possession of the T800 would be released to the Receiver and the T800 would be sold at the Auction, without prejudice to the rights of CTS to assert a claim to the proceeds realized from the T800 at the Auction.

Amounts owed to Keller from SFL

48. As described in the First Report, all of the land, buildings and equipment owned by Keller are leased to SFL pursuant to the SFL Lease, for the term of May 1, 2015 to March 31, 2016, with the exception of SFL's ability to use Keller's granaries and potato storage facilities, which are leased to SFL until July 31, 2016.

49. The Receiver had previously demanded payment of the amount of $260,495.56 from SFL, and had rejected SFL's claims that Keller was responsible to pay for any items related to the Keller land, buildings or equipment other than property taxes.

50. As a result of damage to KSF Equipment, the Receiver will be demanding an additional $31,600.43, and intends to reserve all rights to make further claims if additional damage is noted to any of Keller's land, buildings, or irrigation equipment.

51. To date, SFL has not responded to the Receiver's demands and has not remitted payment of the amount demanded.

Amounts owed to Elk Haven by SFL

52. The Receiver had demanded payment of the amount of $839,191.49 from SFL, and has rejected SFL's set-off claims against amounts owed by KSF to SFL. To date, SFL has not responded to the Receiver's demands and has not remitted payment of the amount demanded.

REALIZATION OF ASSETS

Auction Sale – Sale of KSF Equipment

53. As described previously in this Second Report, Ritchie conducted the Auction on March 17, 2016. Ritchie representatives advised the Receiver that approximately 250 participants registered as bidders on-site at the Auction, and another approximately 550 bidders registered electronically using Ritchie's on-line bidding system.

54. The Auction realized gross sale proceeds of $2,516,110. A listing of the lot-by-lot sale proceeds of the Auction is attached as Appendix A. The Receiver notes that there were 59 different purchasers of various auction lots, comprised of a combination of on-site and on-line bidders.

55. The largest individual purchaser of the KSF Equipment at the Auction was SFL, who purchased 39 of the 114 auction lots. Although the bid number was registered to Mr. Rodger Johnson of SFL, the Receiver observed that Mr. Keller was the individual that was bidding on behalf of SFL using this bid number.

56. As of the date of this Second Report, three bidders who purchased 6 of the 114 auction lot items had not yet paid Ritchie for the items, representing gross sale proceeds of $123,500. These items will not be released to the purchasers by Ritchie until fully paid for, and the Receiver is maintaining insurance coverage on such assets until the transactions are concluded and the units have been removed from the Auction site.

Sale of Land, Buildings and related Irrigation Infrastructure Assets

57. As described in the First Report, the Receiver concluded that the most logical format to liquidate the Keller Lands would be to solicit offers by way of a modified sale and investor solicitation process (the "SISP"). The SISP was divided into two phases:

a) A broad-based solicitation of the market that would culminate in the pre-qualification of potential purchasers and submission of non-binding expressions of interest to the Receiver on or before 12 January 2016 ("Phase One"); and

b) In the event that the non-binding expressions of interest submitted at the conclusion of Phase One indicated a range of value within acceptable ranges, a period of enhanced due diligence for the party (or parties) which would culminate in a binding agreement of purchase and sale, subject only to the approval of this Honourable Court ("Phase Two").

58. Subsequent to the submission of non-binding expressions of interest under Phase One, the Receiver sought clarification from each of the parties submitting expressions of interest with respect to various aspects of their individual submissions, including a general request for prospective purchasers to increase the amount of their offers. Except for a confirmatory disclosure to each of the parties that the Receiver had received multiple non-binding expressions of interest, no individual aspects or identities of any party's submission was disclosed to other prospective purchasers by the Receiver.

59. One of the submissions was superior to the submissions of all other parties, although it contained an exclusivity clause and a limited due diligence period until February 29, 2016. The due diligence conditions did not include any conditions that the offer was subject to financing approvals.

60. On January 27, 2016, the Receiver executed a letter of intent with this party, and confirmed to all other parties that the Receiver would not be proceeding with their submissions as part of Phase Two of the SISP. Any deposit(s) paid to the Receiver accompanying the unsuccessful submissions were returned to the respective offerors.

61. On February 24, 2016, the party confirmed to the Receiver that it would not be proceeding with the proposed transaction. Upon consulting with the affected secured creditors, the Receiver immediately recommenced individual negotiations with the other parties that had previously submitted expressions of interest.

62. On March 11, 2016, a consortium of offerors comprised of companies owned by members of the Adriaansen family submitted a written unconditional purchase offer acceptable to the Receiver for the purchase of all of the Keller Lands, accompanied by a significant non-refundable deposit. The consortium is comprised of Spud Plains, AAFL, TAFL, and AMPGL.

63. The Receiver will provide additional information on the results of Phase Two, including identities of the potential purchasers, the amounts of their offers, further information on the negotiations between the parties, and a copy of the Sale Agreement in the Second Confidential Report.

THE RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

64. The Receiver's interim statement of receipts and disbursements for the period January 16, 2016 to March 24, 2016 (the "Reporting Period") is attached as Appendix B to this Second Report.

65. The Receiver's interim statement of receipts and disbursements also includes a column indicating the Receiver's aggregate receipts and disbursements for the period from the commencement of the receivership on October 8, 2015 to March 24, 2016 for reference purposes.

66. Deposit(s) paid to the Receiver during either Phase One or Phase Two of the SISP in respect of the Keller Lands have been excluded from the interim statement of receipts and disbursements in Appendix B, since disclosure of these amounts could result in the disclosure of the proposed purchase price for the Keller Lands which is the subject of the Receiver's application for a sealing order. The amounts of the deposit(s) are disclosed in the Second Confidential Report.

67. Receipts during the Reporting Period totalled approximately $297,000, comprised of the following:

    a) Advances of $250,000 from RBC, in respect of borrowings supported by the Receiver's borrowing charge pursuant to the Order;

    b) Proceeds of $45,000 from the sale of various pieces of KSF Equipment sold by the Receiver prior to the Auction; and

    c) Miscellaneous receipts of approximately $2,000 comprised principally of GST collected on equipment sales.

68. Disbursements during the Reporting Period totalled approximately $239,000, comprised of the following:

    a) Insurance premiums of approximately $146,000 in respect of the assets of Keller (a portion of which will be refunded to the Receiver upon the completion of the sale of the Keller assets);

    b) Repairs and maintenance and other operational expenditures of approximately $41,000

    c) Appraisal fees of approximately $8,000;

    d) Site utilities, telephone and internet access charges of approximately $10,000;

e) Miscellaneous disbursements of approximately $5,000 which represents amounts paid for GST and PST on disbursements, and other miscellaneous disbursements; and

f) Professional fees of approximately $29,000, representing payments in respect of advances on the Receiver's legal counsel's fees and disbursements.

69. As at March 24, 2016, exclusive of any deposit(s) in respect of the Keller Lands, the Receiver had cash on hand of approximately $85,000. The principal balance of outstanding borrowings in respect of the Receiver's Borrowings Charge (as defined in the Order) is $750,000.

CONCLUSION AND RECOMMENDATIONS

70. The Receiver respectfully recommends that this Honourable Court grant an order:

a) approving the Second Report and the activities of the Receiver described herein, including the process implemented by the Receiver for the sale of Keller's assets and the Receiver's Interim Statement of Receipts and Disbursements;

b) declaring that the Second Confidential Report shall be treated as confidential and sealed at this time; and

c) authorizing the Receiver to conclude a sale of the Keller Lands to the Adriaansen Group, and providing for the vesting of the Keller Lands with the appropriate members of Adriaansen Group in conjunction with the successful closing of the sale transaction.

All of which is respectfully submitted this 30th day of March, 2016.

ERNST & YOUNG INC.
In its capacity as the Court-Appointed Receiver of
Keller & Sons Farming Ltd. and Keller Holdings Ltd.

Per: Joe Healey

Joe Healey, CPA, CA, CIRP
Senior Vice President

APPENDIX A

In the Matter of the Receivership of Keller & Sons Farming Ltd.

Auction Results Report

Lot Number	Description		Sold Price
1	Lincoln 256 Power Portable Electric Mig Welder	$	1,500.00
2	Gray Tools Tool Box	$	150.00
3	Mastercraft Drill Press .	$	150.00
4	Custombuilt Hydraulic Drill Press	$	600.00
5	Ford Parts/Stationary Truck	$	400.00
6	Quantity of (4) 11R22.5 Tires	$	200.00
7	Quantity of (4) 11R22.5 Tires	$	200.00
8	Quantity of (5) 11R24.5 Tires	$	400.00
9	2 Pallets of Truck Parts .	$	10.00
10	Mechron 62.5 KVA Portable Gen Set	$	1,400.00
11	John Deere 590 25 Ft Swather	$	200.00
12	Westfield J210-31 10 In. x 31 Ft Grain Auger	$	600.00
13	Brandt 840 8 In. x 40 Ft Grain Auger	$	600.00
14	2012 Brandt 13110-HP 13 In. x 110 Ft Mechanical Swing Grain Auger	$	16,000.00
15	Farm King 1385 13 In. x 85 Ft Mechancial Swing Grain Auger	$	3,500.00
16	Brandt 1070 10 In. x 70 Ft Mechanical Swing Grain Auger	$	750.00
17	Lilliston Lehman 24 Ft 3 Point Hitch Rollnig Cultivator	$	400.00
18	Flexi-Coil S95 44 Ft Coil Harrow Packer	$	800.00
19	Summers Mfg 48 Ft Coil Harrow Packer	$	8,000.00
20	Case IH 2500 Ecolo-Til 21 Ft Cultivator	$	13,000.00
21	Kongskilde 0112 26 Ft Cultivator	$	11,500.00
22	Summers Mfg Coulter Chisel 41 Cultivator	$	11,000.00
23	Bourgault 7200 84 Ft Heavy Harrows	$	20,500.00
24	2006 Rolland V2-200 Manure Spreader	$	35,000.00
25	J&M Mfg 1151 Grain Storm 1150 +/- Bushel Grain Cart	$	32,500.00
26	2008 John Deere 1890 48 Ft Air Drill	$	95,000.00
27	2006 Chevrolet 1500 Silverado Extended Cab 4 X 4 Pickup	$	4,000.00
28	2007 Ford F150 XLT Triton Extended Cab 4 x 4 Pickup	$	4,000.00
29	2009 Ford F350 Super Duty Crew Cab 4 x 4 Pickup	$	6,500.00
30	2007 Chevrolet 2500HD Crew Cab 4 x 4 Pickup	$	7,000.00
31	2008 Chevrolet 3500HD Crew Cab 4 x 4 Pickup	$	6,750.00
32	2004 GMC 2500HD Crew Cab 4x4 Pickup	$	2,250.00
33	2003 Chevrolet 2500HD Crew Cab 4x4 Parts/Stationary Truck	$	900.00
34	2002 Ford F450 XL Super Duty Duall Service Truck	$	750.00
35	1999 Ford F450 4x4 Service Truck Parts/Stationary Truck	$	1,000.00
36	1996 Western Star 4864F T/A Fuel T/A Fuel Truck	$	26,000.00
37	2008 Kenworth T800 Truck Tractor	$	41,000.00
38	2008 Kenworth T800 Truck Tractor	$	41,000.00
39	2008 Kenworth T800 Truck Tractor	$	41,000.00
40	2008 Kenworth T800 Truck Tractor	$	41,000.00
41	2008 Kenworth T800 Truck Tractor	$	41,000.00
42	2008 Kenworth T800 Truck Tractor	$	41,000.00
43	2008 Kenworth T800 Truck Tractor	$	41,000.00
44	2008 Kenworth T800 Truck Tractor	$	41,000.00

In the Matter of the Receivership of Keller & Sons Farming Ltd.

Auction Results Report

Lot Number	Description		Sold Price
45	1998 Kenworth T800 Truck Tractor	$	24,500.00
46	1997 Volvo VE Sleeper Truck Tractor	$	5,500.00
47	1993 Mack CH613 Truck Tractor	$	5,250.00
48	2006 Kenworth T800 Tri/A Potate Truck	$	76,000.00
49	2006 Kenworth T800 Tri/A Potate Truck	$	76,000.00
50	1995 International 9200 T/A Potato Truck	$	11,000.00
51	1995 International 9200 T/A Potato Truck	$	11,000.00
52	1986 Ford CL9000 COE T/A Potato Truck	$	2,000.00
53	1987 Ford L9000 T/A Potato Truck	$	2,000.00
54	1984 Ford L9000 T/A Potato Truck	$	6,250.00
55	1985 International F1954 T/A Potato Truck	$	5,000.00
56	1987 Ford L9000 T/A Parts/Stationary Trucks	$	2,250.00
57	1987 Mack T/A Parts/Stationary Trucks	$	1,800.00
58	1997 Volvo VE Sleeper Parts/Stationary Trucks	$	1,800.00
59	1980 Ford L9000 T/A Parts/Stationary Trucks	$	2,900.00
60	2008 Doepker 30 Ft and 28 Ft Super B Grain Trailer	$	42,000.00
61	2008 Doepker 30 Ft and 28 Ft Super B Pup Grain Trailer	$	45,000.00
62	2004 Castleton 28 Ft Super B Grain Trailer	$	14,500.00
63	1984 Doonan 40 Ft T/A Grain Trailer	$	4,750.00
64	2000 Trinity Eagle Bridge 48 Ft Tri/A Live Bottom Potato Trailer	$	21,000.00
65	1997 Trinity Eagle Bridge 45 Ft Tri/A Live Bottom Potato Trailer	$	5,500.00
66	1996 Trinity Eagle Bridge 45 Ft Tri/A Live Bottom Potato Trailer	$	8,250.00
67	1996 Trinity Eagle Bridge 45 Ft Tri/A Live Bottom Potato Trailer	$	3,500.00
68	1984 LodeMaster 40 Ft T/A Live Bottom Potato Trailer	$	500.00
69	1984 LodeMaster 40 Ft T/A Live Bottom Potato Trailer	$	500.00
70	1987 Fruehauf 46000 Litre Tri/A Tank Trailer	$	16,000.00
71	1981 Trailmaster 4000 Gallon T/A Tank Trailer	$	6,000.00
72	1999 Doonan 48 Ft T/A Step Deck Trailer	$	9,500.00
73	2004 Norberts 25 Ft Tri/A Gooseneck Equipment Trailer	$	7,250.00
74	2009 Tarnel 19 Ft T/A Equipment Trailer	$	5,000.00
75	2012 Milestone MSC60 Potato Seed Cutter	$	79,000.00
76	2012 Milestone MSC60 Potato Seed Cutter	$	33,000.00
77	Milestone MLT42 Liquid Fertilizer Treater	$	16,500.00
78	Custombuilt Potato Seed Treater	$	2,000.00
79	Harriston 4048 8 Row 36 In. Spacing Row Crop Planter	$	40,000.00
80	Harriston 4008 8 Row 36 In. Spacing Row Crop Planter	$	14,000.00
81	Spudnik 9080 8 Row Potato Hiller	$	6,000.00
82	Logan YLD8 Yield Pro 8 Row Potato Hiller	$	7,500.00
83	Logan YLD8 Yield Pro 8 Row Potato Hiller	$	10,000.00
84	Cruse KP12 24 Ft Potato Hiller	$	100.00
85	Double L 866 6 Row Potato Windrower	$	1,000.00
86	Double L 866 6 Row Potato Windrower	$	1,000.00
87	2014 Double L 973 4 Row Potato Harvester	$	100,000.00
88	2014 Double L 973 4 Row Potato Harvester	$	57,500.00

In the Matter of the Receivership of Keller & Sons Farming Ltd.

Auction Results Report

Lot Number	Description		Sold Price
89	2014 Double L 973 4 Row Potato Harvester	$	57,500.00
90	Double L 973 4 Row Potato Harvester	$	52,000.00
91	Spudnik 6400 4 Row Potato Harvester	$	30,000.00
92	Lockwood ACS-8 Air Controlled Separator	$	41,000.00
93	2008 Milestone MSDS92 Debris Eliminator Star Sizer Sorting Table	$	83,000.00
94	2009 Milestone MSDS92 Debris Eliminator Star Sizer Sorting Table	$	46,000.00
95	Double L 861 42 In. Potato Bin Piler	$	15,500.00
96	Double L 831 Telescopic 36 In. Telescopic Row Potato Bin Piler	$	8,500.00
97	Double L 831 Telescopic 36 In. Telescopic Row Potato Bin Piler	$	3,500.00
98	1981 John Deere 4440 2WD Tractor	$	15,000.00
99	1984 John Deere 4650 2WD Tractor	$	10,000.00
100	2007 John Deere 7630 MFWD Tractor	$	87,500.00
101	2006 John Deere 7220 MFWD Tractor	$	60,000.00
102	1997 John Deere 8300 MFWD Tractor	$	38,000.00
103	1989 John Deere 4955 MFWD Tractor	$	22,000.00
104	1997 John Deere 9400 4WD Tractor	$	42,000.00
105	1992 John Deere 8960 4WD Tractor	$	28,000.00
106	2011 John Deere D450 35 Ft Swather	$	64,000.00
107	2013 John Deere 4940 120 Ft High Clearance Sprayer	$	210,000.00
108	2010 John Deere 326D Two Speed Skid Steer Loader	$	22,500.00
109	2010 John Deere 326D 2 Spd Skid Steer Loader	$	19,000.00
110	2000 Caterpillar 246 Skid Steer Loader	$	10,000.00
111	Caterpillar 435 12 CY Hydraulic Pull Scraper	$	19,000.00
112	Champion 720 Motor Grader	$	10,500.00
113	2006 Caterpillar 930G Wheel Loader	$	54,000.00
114	Caterpillar 320L Hydraulic Excavator	$	36,000.00
		$	2,516,110.00

APPENDIX B

IN THE MATTER OF THE RECEIVERSHIP OF KELLER & SONS FARMING LTD.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

	(Reporting Period) For the period January 16, 2016 to March 24, 2016	(CUMULATIVE) For the period October 8, 2016 to March 24, 2016
RECEIPTS		
Receiver's borrowing certificate proceeds	$ 250,000.00	$ 750,000.00
Pre-receivership bank account proceeds	-	124,527.59
Sale of equipment	45,000.00	45,000.00
Recovery of operational expenses from Shilo Farms Ltd.	-	19,034.09
Interest earned	148.14	167.07
Miscellaneous other receipts	2,250.00	3,120.03
Total receipts	$ 297,398.14	$ 941,848.78
DISBURSEMENTS		
Filing fees	$ -	$ 70.00
Future crop input purchases	-	316,545.35
Insurance	146,272.00	183,844.53
Appraisal fees	8,500.00	24,995.00
Professional fees (receiver and legal)	28,744.88	164,676.56
Utilities and telephone	9,881.50	32,001.17
Payroll and related source deductions	-	57,619.69
Site operational expenses and repairs	40,652.95	56,900.81
GST/HST/PST and miscellaneous	5,046.09	19,779.65
Total disbursements	$ 239,097.42	$ 856,432.76
Excess of receipts over disbursements before distributions	**$ 58,300.72**	**$ 85,416.02**