

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. C-43, AS AMENDED

**MOTION RECORD
(returnable October 29, 2020)**

October 21, 2020

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Lawyers for the Receiver

TO: SERVICE LIST

SERVICE LIST
(as at September 18, 2020)

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AND TO:	<p>TURUSS (CANADA) INDUSTRY CO., LTD. 60 Industrial Park Road / 60 Queen Street North Chesley, ON N0G 1L0</p> <p>Yang Jiang Tel: (905) 212-9929 jiangyang818@gmail.com</p> <p><i>Respondent</i></p>
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AND TO:	<p>BRUCE POWER INC. Bruce Power Law Division, B10 06E, Room 6000E 177 Tie Road, R.R. #2 P.O. Box 1540, Building B 10 Tiverton, ON N0G 2T0</p> <p>Ford Thompson Tel: 1 (519) 386-2491 ford.thompson@brucepower.com</p>
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AND TO:	YANG JIANG 9 Highview Crescent Richmond Hill, ON L4B 2T6 jiangyang818@gmail.com

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TAB 1

Court File No.: CV-20-00646729-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. C-43, AS AMENDED

**NOTICE OF MOTION
(returnable October 29, 2020)**

MNP Ltd. (“MNP”), in its capacity as the Court-appointed receiver and manager (the “Receiver”) of the assets, undertakings and properties of Turuss (Canada) Industrial Co., Ltd. (“Turuss”), will make a motion via videoconference to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “Court”) on October 29, 2020, at 9:30 a.m., or as soon after. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by emailing amanda.campbell@dentons.com.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as **TAB 3** to the Motion Record, for the following relief (the “**Sale Process Order**”):
 - (a) abridging the time for service of the Notice of Motion herein, Motion Record and First Report of MNP, in its capacity as Receiver, dated October 21, 2020 (the “**First Report**”) so that this Motion is properly returnable on October 29, 2020, and dispensing with further service thereof;
 - (b) approving the First Report to the Court and the activities of the Receiver as described therein;
 - (c) approving the sale process described in the First Report and appended as **Schedule “A”** to the Sale Process Order (the “**Sale Process**”);
 - (d) authorizing and directing the Receiver to do all things as are reasonably necessary to conduct and give full effect to the Sale Process, subject to any amendments or modifications to the Sale Process that the Receiver considers to be appropriate and necessary to carry out its obligations set out therein; and
 - (e) such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

2. On application by Pillar Capital Corp. for the appointment of a receiver and manager over the assets, undertakings and properties of Turuss (the “**Assets**”), on September 18, 2020,

MNP was appointed as Receiver by the Ontario Superior Court of Justice (Commercial List) (the “**Receivership Order**”);

3. Pursuant to the Receivership Order, the Receiver is authorized to sell, convey, transfer, lease or assign the Assets of Turuss, including the industrial building and associated lands municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario.
4. The proposed Sale Process is intended to solicit interest in the sale of all or part of the Assets, as outlined in the First Report.
5. The Sale Process will be undertaken and implemented by the Receiver. The Sale Process also sets out key milestones in terms of receiving bids and ultimately the process of selecting a successful bid (subject to the approval of this Court):

Milestone	Timeline
Receiver to prepare the list of Interested Parties, the Teaser, the NDA, the Data Room, CIM, APS, and draft advertisements	10 days, commencing on October 29th, 2020
Publish notice of the sale in a nationally circulated newspaper	During the week of November 9, 2020 and again during the week of November 30, 2020
Publish notice of the sale on the Receiver’s website and through the Insolvency Insider e-mail publication	Commencing on November 9, 2020
Distribute Teaser and the NDA to those identified as Interested Parties	Commencing on November 9, 2020
Commence distribution of CIM and providing data room access to Prospective Offerors, after receiving executed copy of NDA (subject to the Receiver’s discretion as outlined herein)	Commencing on November 9, 2020
Plan and provide tours of the Property	From November 16, 2020 to January 8, 2020
Discussion with Prospective Offerors to provide updates and to resolve their queries	From November 23, 2020 to January 8, 2020
Deadline for submission of Offers	January 11, 2021 at 5:00 PM (Toronto Time) (the “Deadline”)

Acceptance of Successful Offer(s)	Up to 10 days after the submission deadline
Court motion to approve Successful Offer(s)	As soon as possible after acceptance
Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021

6. The proposed Sale Process represents a reasonable and commercially efficient process which allows a sufficient opportunity to optimize the Receiver's ability of securing the best possible purchase price for the Assets for the benefit of the stakeholders as a whole, in the circumstances.
7. The Receiver believes that it is in the best interests of all Turuss stakeholders to promptly proceed with the Sale Process.
8. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure* (Ontario);
9. Section 243 of the *Bankruptcy and Insolvency Act* (Canada);
10. Such further and other grounds as counsel may advise and this Honourable Court may permit;

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

11. The First Report of MNP, in its capacity as Receiver dated October 21, 2020, filed; and
12. Such further and other material as counsel may advise and this Honourable Court may permit.

DATE: October 21, 2020

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Lawyers for the Receiver

TO: SERVICE LIST

Schedule "A"
Conference Details to join Motion via Zoom

Join Zoom Meeting:

<https://dentons.zoom.us/j/96937723566?pwd=ZFBDS0JGTmg5SFZYa01kbFINN1BPdz09>

Meeting ID: 969 3772 3566

Password: 276307

Dial in information

Toll Free: 1 (855) 703-8985

Local: 1 (647) 558-0588

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(returnable October 29, 2020)

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Lawyers for the Receiver

TAB 2

Court File No. CV-20-00646729-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**FIRST REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF THE ASSETS,
UNDERTAKINGS AND PROPERTIES OF TURUSS (CANADA) INDUSTRY CO., LTD.**

OCTOBER 21, 2020

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Appendix “B” – Pre-Filing Report of the Proposed Receiver

Appendix “C” – Sale Process and Bidding Procedures

INTRODUCTION AND PURPOSE

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 18, 2020 (the “**Appointment Order**”), MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd (“**Turuss**” or the “**Company**”). A copy of the Appointment Order is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep dated sworn September 4, 2020 (the “**Dizep Affidavit**”) and included in the Application Record dated September 4, 2020.
3. The Company’s primary asset is a 340,000 square foot industrial building located on 34 acres of land located at 60 Industrial Park Road, Chesley, Ontario (the “**Property**”). A substantial portion of the Property is now leased to Bruce Power LP (“**Bruce Power**”).
4. The purpose of this First Report to the Court (the “**First Report**”) is to:
 - (a) update the Court with respect to the Receiver’s activities since the date of its appointment, and seek approval for those activities;
 - (b) summarize the contemplated solicitation and marketing process to be conducted by the Receiver for the Property (the “**Sale Process**”); and
 - (c) provide the Court with the Receiver’s recommendation for an Order, *inter alia*,:
 - (i) approving the First Report and the Receiver’s activities;
 - (ii) authorizing and directing the Receiver to carry out the Sale Process; and
 - (iii) such other relief as this Court may seem just.

TERMS OF REFERENCE

5. In preparing this Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets, including the information provided as follows (collectively the “**Information**”):
 - (a) provided by Pillar Capital Corp. (“**Pillar**”) and its legal counsel, Gowling WLG (Canada) LLP;
 - (b) obtained by attending at the Property;
 - (c) provided by the only known employee of Turuss, who has been retained by the Receiver on a contract basis;
 - (d) provided by the Property Manager (as defined below) who reports to the Receiver, including financial information supplied by the Property Manager;
 - (e) provided by CBRE Limited (“**CBRE**”) and Colliers International (“**Colliers**”), that provided marketing and listing proposals for the Property;
 - (f) as set out in the Dizep Affidavit, filed in connection with the application for the Appointment Order; and
 - (g) as otherwise available to the Receiver and its counsel.
6. Except as describe in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
7. All currency references are in Canadian Dollars unless otherwise specified.

BACKGROUND

8. As at the date of the Appointment Order, Turuss was indebted to Pillar in the amount of approximately \$2,032,000, plus any accrued interest, fees and costs. As referenced in the Pre-Filing Report (as defined herein), Pillar is the senior secured creditor of Turuss.
9. Turuss initially operated a hardwood flooring manufacturing, import and distribution business from the Property (the “**Flooring Business**”). Upon ceasing the Flooring Business, approximately 162,000 square feet of the Property was leased to Bruce Power. Bruce Power continues to occupy the Property in accordance with the governing lease agreement (as amended) dated November 30, 2018, entered into between Turuss and Bruce Power (the “**Bruce Power Lease**”).
10. Certain equipment and inventory related to the Flooring Business, which included wood handling, flooring manufacturing and lifting equipment (the “**Remaining Assets**”) are located in the unleased portion of the Property.
11. Additional information about the Company is contained in the Receiver’s pre-filing report to the Court as the proposed Receiver, dated September 15, 2020 (the “**Pre-Filing Report**”). A copy of the Pre-Filing Report is attached as **Appendix “B”**, without appendices.

ACTIVITIES OF THE RECEIVER

12. Since the date of its appointment, the Receiver has, *inter alia*:
 - (a) secured and taken possession of the Property, and transferred accounts for utilities and all other applicable service accounts into the Receiver’s name;
 - (b) arranged for insurance coverage in respect of the Property;
 - (c) issued the notices required pursuant to Sections 245 and 246 of the *Bankruptcy and Insolvency Act* to the known creditors of Turuss and forwarded to the Office of the Superintendent of Bankruptcy;

- (d) established a website for these Receivership proceedings, www.mnpdebt.ca/turuss;
- (e) delivered correspondence to the sole officer/director of Turuss for the delivery of the Turuss books and records;
- (f) filed with Service Canada an application under the *Wage Earner Protection Program Act* (“**WEPPA**”) for the benefit of the former employee;
- (g) calculated the WEPPA claims of the former employee of Turuss and communicated with them. As noted above, the Receiver entered into a short-term contract with the former employee of Turuss, as a daily on-site supervisor and maintenance manager;
- (h) contacted Canada Revenue Agency (“**CRA**”) to obtain information regarding any statutory obligations and other amounts due to CRA that might have priority to the Applicant;
- (i) issued two Receiver’s Certificates to Pillar in the total amount of \$475,000 in order to fund the Receiver’s initial expenses associated with the maintenance of the Property, and to pay all outstanding realty taxes in the amount of approximately \$375,000;
- (j) entered into a property management agreement with Richmond Advisory Services Inc. (“**Richmond**” or the “**Property Manager**”) as property manager to assist with the management of the Property including the receipt of the rental income from Bruce Power and the payment of the expenses associated with the maintenance of the Property;
- (k) met with Bruce Power, as the sole tenant of the Property, and subsequently negotiated into a lease amendment to the Bruce Power Lease addressing, among other things, an expansion of the leased space by Bruce Power;
- (l) consulted with commercial realtors in relation to the sale of the Property;
- (m) obtained two liquidation proposals for the Remaining Assets; and

- (n) entered negotiations for the terms of a Liquidation Agreement for the Remaining Assets to be conducted by Leveredge Asset Solutions Inc., the proceeds of which are not expected to exceed the limitation on the sale of assets by the Appointment Order in the amount of \$250,000 for any single transaction or \$500,000 for the aggregate of all transactions.

SALE PROCESS

- 13. The Appointment Order, among other things, authorizes the Receiver to market and sell the Property.
- 14. With respect to a marketing and solicitation strategy for the Property, the Receiver consulted with two commercial real estate firms with respect to a marketing and listing proposal. The Receiver also considered implementing a marketing and solicitation process with the support of MNP LLP's internal corporate finance group that has the necessary commercial real estate experience to actively market and solicit interest in the Property.
- 15. After considering the approaches above, the Receiver has determined that the most reasonable and commercially efficient approach to market and solicit interest in the Property would be to have the Receiver implement the Sale Process. As part of this assessment, the Receiver considered the preliminary fee estimates provided by the commercial real estate firms and the potential cost savings available to the receivership estate if the Receiver conducted the process.
- 16. The Receiver has developed the proposed Sale Process to solicit bids by a set bid deadline. The Receiver is of the view that the proposed Sale Process balances the need to have a sale accomplished in a reasonable timeframe to limit the carrying costs associated with the Property with the desire to properly expose the Property to the marketplace to maximize recoveries for the stakeholders.
- 17. The Receiver seeks Court approval for the Sale Process. A copy of the Sale Process, including a bidding procedure, is attached to this Report as **Appendix "C"**.

18. In summary, the Sale Process would commence upon the issuance by this Court of an order approving the Sale Process (the “**Commencement Date**”) and be conducted on the following timeline (capitalized terms are as defined in the Sale Process):

Event		Timeline
1	Receiver to prepare the list of Interested Parties, the Teaser, the NDA, the Data Room, CIM, APS, and draft advertisements	10 days, commencing on October 29 th , 2020
2	Publish notice of the Sale Process in a nationally circulated newspaper	During the week of November 9, 2020 and again during the week of November 30, 2020
3	Publish notice of the Sale Process on the Receiver’s website and through the Insolvency Insider e-mail publication	Commencing on November 9, 2020
4	Distribute Teaser and the NDA to those identified as Interested Parties	Commencing on November 9, 2020
5	Commence distribution of CIM and providing data room access to Prospective Offerors, after receiving executed copy of NDA (subject to the Receiver’s discretion)	Commencing on November 9, 2020
6	Plan and provide tours of the Property	From November 16, 2020 to January 8, 2020
7	Discussion with Prospective Offerors to provide updates and to address any reasonable diligence queries	From November 23, 2020 to January 8, 2020
8	Deadline for submission of Offers	January 11, 2021 at 5:00 PM (Toronto Time)
9	Acceptance of Successful Offer(s)	Up to 10 days after the submission deadline

10	Court motion to approve Successful Offer(s)	As soon as possible after acceptance
11	Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021

19. Although the Sale Process establishes a bid deadline, the Receiver also seeks the flexibility to be able to accept any bid received any time, terminate the proposed Sale Process at any time and immediately enter into discussions with a bidder with a view of finalizing the transaction contemplated by such bid.
20. The Sale Process also provides for the comparison of multiple offers inherently maximizing sale value. The Receiver's proposed Sale Process will also set to limit the due diligence period required by prospective purchasers during which time the property would be essentially "off the market", if being sold by a real estate broker.
21. The Receiver is satisfied that the Sale Process represents a commercially reasonable and efficient process which allows for sufficient time for the Property to be exposed to the market in order to maximize the value of the Property. The Sale Process is supported by Pillar.

CONCLUSION

22. The Receiver is satisfied that the proposed Sale Process represents the most efficient and fair process to be administered in the circumstances that will sufficiently expose the Property for sale to the marketplace and generate the maximum values. Furthermore, the Receiver's recommendation is supported by the Company's senior secured lender, Pillar.

23. Based on the foregoing, the Receiver respectfully requests that the Court make an order granting the relief detailed in paragraph 4(c) of this Report.

**MNP Ltd, in its capacity as the
Court-appointed Receiver and Manager of
Turuss (Canada) Industry Co., Ltd.
and not in its personal or corporate capacity**

Per:



Jerry Henechowicz CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX “A”
to the First Report of the Receiver

Court File No. CV-20-00646729-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST



THE HONOURABLE

MR. JUSTICE HAINEY

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FRIDAY, THE 18TH

DAY OF SEPTEMBER, 2020

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. ("MNP") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic,

ON READING the affidavit of Steve Dizep sworn September 4, 2020 and the Exhibits thereto, the pre-filing report of the proposed Receiver dated September 15, 2020, and the exhibits thereto (collectively, the "Pre-Filing Report"), and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Angelica Wilamowicz sworn September 10, 2020, and on reading the consent of MNP to act as the Receiver.

APPOINTMENT

1. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor and all proceeds thereof (collectively, the "Property"), including but not limited to the lands and premises listed in Schedule "A" hereto (the "Real Property").

RECEIVER'S POWERS

2. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- 3 -

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

- 4 -

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property including as against the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DISTRIBUTION OF RENTAL REVENUE

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to distribute to the Applicant leasing revenue generated from the Real Property, either in whole or in part, up to the amount of the total indebtedness owing to the Applicant, subject to the Applicant entering into the Reimbursement Agreement (as defined in the Pre-Filing Report), substantially in the form attached to the Pre-Filing Report.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and

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shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory

provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such

employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim

expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/sc/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://mnpdebt.ca/en/corporate/corporate-engagements/Turuss>.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that

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any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as trustee in the Debtor's bankruptcy.

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

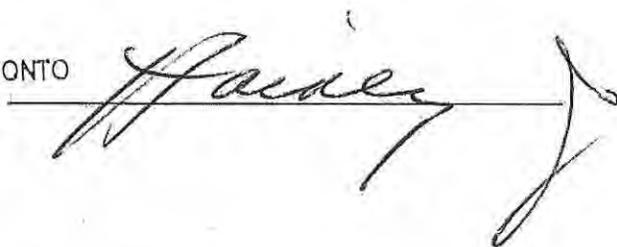
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SEP 21 2020

TOR_LAWA 1044253616

PER / PAR:

SCHEDULE "A"

DESCRIPTION OF REAL PROPERTY

The lands and premises municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario and legally described as:

- PIN 33183-0177 (LT): PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE
- PIN 33183-0178 (LT): LT 13-34, 36-47, 50-61, 65-76, 80-91, 96-101 PL 310; MCGAW ST, HIGH ST PL 310 S/T & T/W R376714; PT PARKLT T, U PL 217 & PT RIVER ST PL 310 CLOSED BY CH7716, PT 1 & 5 3R7740, PT 1, 2, 4 3R7734; PT FAIRVIEW AV, RIVER ST PL 310 PT 1, 2, 4 3R4763, PT 11 3R7734 CLOSED BY R374503, PT 1, 2, 3 3R6870 CLOSED BY R339205, PT 6, 7 3R4763 CLOSED BY CH7716; PT LANE PL 310 CLOSED BY CH7716, BTN LT 13 TO 22 PL 310; LANE LYING NORTHERLY OF LT 23 TO 32, PL 310; PT LANE PL 310 LYING EASTERLY AND ABUTTING LT 32 TO 34, PL 310 CLOSED BY R374503 PT 7, 8, 9 3R7740; LANE PL 310 BTN HIGH ST AND MCGRAW ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN RIVER ST AND HIGH ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN LT 40 TO 43, 54 TO 57, 69 TO 72, 84 TO 87, 100 & 101 PL 310, CLOSED BY R374503; LANE PL 310 BTN LT 100 & 101; PT LORNE ST PL 310 PT 3 3R7740, S/T R377152, PT 9, 10 3R7734, S/T R375072, CLOSED BY R374503; S/T R278375, R324241, R356491, R356492, R380920, R380921; MUNICIPALITY OF ARRAN-ELDERSLIE

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Turuss (Canada) Industry Co., Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 18th day of September, 2020 (the "Order") made in an action having Court file number CV-20-00646729-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

MNP LTD., solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____
Name:
Title:

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUST

Applicants
APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

ONTARIO
SUPERIOR COURT OF
(COMMERCIAL I
PROCEEDING COMMENCED

RECEIVERSHIP OF

GOWLING WLG (CANADA) L
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5
Tel: 416-862-7525
Fax: 416-862-7661

Thomas Germer (LSO# 67756S)
Tel: 416-369-4618
thomas.germer@gowlingwlg.com

Solicitors for the Applicant

APPENDIX “B”
to the First Report of the Receiver

Court File No. CV-20-00646729-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

Application pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended and section 101 of the *Courts of Justice*, R.S.O. 1990, c. c-43, as amended

**REPORT OF MNP LTD.
AS PROPOSED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD.
(SEPTEMBER 15, 2020)**

INTRODUCTION

1. On September 4, 2020, Pillar Capital Corp. (“**Pillar**”) filed an application (the “**Receivership Application**”) with the Superior Court of Justice (*Ontario*) (the “**Court**”) seeking an order (the “**Proposed Receivership Order**”) in respect of Turuss (Canada) Industrial Co., Ltd.’s (“**Turuss**” or the “**Company**”), appointing MNP Ltd. (“**MNP**”) as the receiver and manager of the Company’s assets, undertakings and properties, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
2. MNP is a licensed trustee within the meaning of the BIA and has consented to act as receiver in these proceedings. MNP submits this report in MNP’s capacity as proposed receiver of Turuss (in such capacity, the “**Proposed Receiver**”) with a view of assisting the Court in considering the Proposed Receivership Order.

PURPOSE OF THIS REPORT

3. The purpose of this report (the “**Pre-Filing Report**”) is to:
 - (a) Provide this Court with:
 - (i) background information about the Company and its assets;
 - (ii) a summary of the legal opinion provided by Dentons Canada LLP (“**Dentons**”), as independent counsel to MNP as Proposed Receiver, in respect of the security granted by the Company in favour of Pillar;
 - (iii) a review of other creditor, supplier, and potential statutory claims that may exist;
 - (iv) the Proposed Receiver’s views with respect to a proposed reimbursement agreement to be entered into between MNP, in its capacity as Court appointed receiver, and Pillar (the “**Proposed Reimbursement Agreement**”); and

- (v) the proposed Administration Charge (as defined herein) and Receiver's Borrowings Charge (as defined herein);
- (b) Recommend that, in the event this Court appoints MNP as the receiver of the Company, the Court issue an Order:
 - (i) approving the terms of the Administration Charge and Receiver's Borrowing Charge; and
 - (ii) approving the Proposed Reimbursement Agreement.

TERMS OF REFERENCE AND QUALIFICATIONS

4. In preparing this Pre-Filing Report, MNP relies on unaudited financial and other information regarding the Company and its assets (collectively the "**Information**"):
 - (a) provided by Pillar and its legal counsel Gowling WLG (Canada) LLP;
 - (b) obtained by an inspection of the property owned by the Company and municipally known as known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario (the "**Property**");
 - (c) provided by the property manager;
 - (d) set out in the Affidavit of Steve Dizep sworn September 4, 2020 (the "**Dizep Affidavit**") and filed with this Court in support of the Receivership Application; and
 - (e) as otherwise available to the Proposed Receiver and Dentons.
5. Except as described in this Pre-filing Report, the Proposed Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

6. This Pre-Filing Report should be read in conjunction with the Dizep Affidavit, filed in support of Pillar's Receivership Application.
7. All currency references are in Canadian Dollars unless otherwise specified.

COMPANY BACKGROUND AND FINANCIAL DIFFICULTIES

8. Turuss was incorporated pursuant to the *Canada Business Corporations Act* on December 19, 2012. Ms. Yang Jiang ("**Jiang**") is the Company's sole director. The Property serves as the registered office for the Company.
9. As set out in the Dizep Affidavit:
 - (a) the Company initially operated a hardwood flooring manufacturing, import and distribution business (the "**Flooring Business**") from the Property that comprises approximately 300,000 square feet;
 - (b) the Flooring Business ceased operations and approximately 162,000 square feet of the Property was leased to Bruce Power L.P ("**Bruce Power**"). Bruce Power continues to occupy the Property in accordance with the governing lease agreement (as amended) entered into between Turuss and Bruce Power (the "**Bruce Power Lease**"). The remainder of the Property is leased by Canadian Northeastern Forest Inc. ("**CNFI**"), however, the Proposed Receiver understands that CNFI discontinued operations at the Property in or around April / May 2020; and
 - (c) the Company is effectively now a real estate holding company whose primary and most significant asset is the Property.
10. The Proposed Receiver understands that beginning in or around May and June 2020, the Company failed to make critical payments required to maintain and preserve the Property, and maintain its obligations set forth in the Bruce Power Lease. The aforementioned payments include municipal taxes, insurance and utility bills. In addition, Ms. Jiang (leading up to the Receivership Application) failed to respond to any enquiries from Pillar or the property manager. At that time, the Proposed Receiver understands that the Property

was not being properly managed and no funds were being deployed by Turuss to maintain the Property.

11. Ultimately, Pillar issued and delivered a demand letter and corresponding notice of intention to enforce security pursuant to the BIA to Turuss. At the time of the demand (March 5, 2020), \$1,984,034.25 was due and owing by Turuss to Pillar (the “**Indebtedness**”). The Proposed Receiver understands that the Indebtedness remains outstanding.

STATUTORY PRIORITIES AND SERVICE PROVIDERS

12. As set out in the Dizep Affidavit, although the Company does not currently have any employees, the amount of any unremitted source deductions or HST will need to be investigated by the receiver.
13. There are outstanding municipal taxes estimated to be approximately \$250,000 and would form a priority charge on the Property; those amounts would need to be paid first upon closing of any sale of the Property. The municipal tax arrears continue to accrue penalties and interest.
14. Turuss has also failed to pay critical service providers such as Bell Canada (who also provides the Property’s security), standard utilities and the costs and expenses related to the general management of the Property. In order to preserve the value of the Property, Pillar was required to take the necessary steps to coordinate payment of some of the aforementioned costs as a protective disbursement pursuant to its loan and security documentation.

SECURITY OPINION

15. As set out in the Dizep Affidavit, Turuss granted the following security to Pillar:
 - (a) First Charge/Mortgage against the Property dated October 23, 2018;

- (b) General Assignment of Rents and Leases dated October 23, 2018 (the “**GARL**”);
and
 - (c) General Security Agreement dated October 24, 2018.
16. In anticipation of these proceedings, the Proposed Receiver obtained a security opinion from Dentons with respect to the Pillar security documentation (the “**Security Opinion**”) and, subject to the customary qualifications and assumptions contained therein, the Security Opinion opines that: (a) the security held by Pillar is valid and legally enforceable against the Company, and (b) Pillar has a perfected security interest in all the personal property of the Company (the “**Personal Property**”) and a first priority charge against the Property, which includes the Rent Proceeds (as defined herein).
17. Subject to the customary assumptions and qualifications contained in the Security Opinion, the Pillar security documents:
- (a) constitute legal, valid and binding security interests in favour of Pillar in the Personal Property and Property;
 - (b) are sufficient to secure the payment and performance of the obligations secured thereby; and
 - (c) are properly registered and perfected in the applicable jurisdiction.
18. As set out in the Dizep Affidavit, the current Indebtedness owing by Turuss to Pillar, as at September 4, 2020, is \$2,032,418 plus accrued interest and costs.

PROPOSED RECEIVERSHIP ORDER AND REIMBURSEMENT AGREEMENT

19. As noted in the Dizep Affidavit, Pillar exercised its rights under the GARL on July 16, 2020. Since that time, Pillar has been collecting the rent payable pursuant to the Bruce Power Lease direct from Bruce Power (the “**Rent Proceeds**”). The Proposed Receivership Order at paragraph 3 contemplates that the Proposed Receiver may distribute Rent Proceeds to Pillar during the course of the receivership administration.

20. The Proposed Receiver is of the view that the proposed interim payments / distributions to Pillar in respect of the Rent Proceeds are appropriate in the circumstances (the “**Pillar Interim Distributions**”). To support the Pillar Interim Distributions, the Proposed Receiver and Pillar have negotiated the Proposed Reimbursement Agreement in order to facilitate the demand and return of Pillar Interim Distributions from Pillar to the receiver in the event that there are insufficient funds in the estate to pay priority payables (including the Court ordered charges). A copy of the Proposed Reimbursement Agreement is attached hereto as **Appendix “A”**.
21. The Proposed Receivership also contemplates a receiver’s charge for fees and disbursements including the fees and disbursements of its counsel (the “**Receiver’s Charge**”), and a receiver’s borrowing charge up to the amount of \$750,000 (the “**Receiver’s Borrowing Charge**”). The Receiver’s Borrowing Charge amount reflects anticipated amounts to potentially satisfy the municipal tax arrears (together with accruing interest and penalties), to obtain property insurance, and any other amounts required in order preserve and manage the Property. The Proposed Receiver is of the view that the Receiver’s Charge and Receiver’s Borrowing Charge are required and reasonable in the circumstances in order to achieve an orderly and efficient sale of the Company’s assets, including the Property.

CONCLUSION

22. Provided this Court grants the Proposed Receivership Order, MNP respectfully requests that this Court approve and authorize the Pillar Interim Distributions.

**MNP Ltd, in its capacity as the Proposed Court-appointed Receiver of
Turuss (Canada) Industry Co., Ltd. and not in its personal or corporate capacity**



Per: _____

Jerry Henechowicz, CPA, CA, CIRP, LIT
Senior Vice President

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**PRE-FILING REPORT OF THE PROPOSED
RECEIVER**

DENTONS CANADA LLP
77 King Street West, Suite 400
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Lawyers for the Proposed Receiver

APPENDIX “C”
to the First Report of the Receiver

Turuss (Canada) Industry Co., Ltd.
Sale Process

Purpose

1. The proposed sale process (the “**Sale Process**”) for Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) for sale of its assets and business (collectively, the “**Property**”) would be conducted by MNP Ltd. in its capacity as court-appointed receiver and manager (the “**Receiver**”) with the input and assistance of Dentons Canada LLP (the “**Legal Counsel**”), in accordance with the terms and timeline set out below.
2. Any contemplated sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
4. Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Property, or any portion thereof, outside the Sale Process prior to the selection of a Successful Offeror.

Sale Process Procedures

5. The Receiver, in conjunction with MNP LLP’s real estate and corporate finance groups will compile a list of prospective purchasers, (together with any other party expressing an interest in the Property, the “**Interested Parties**”). The Receiver will make reasonable efforts to canvass the interest, if any, in the Property, of all Interested Parties.
6. The sale of the Property will be on an “*as is, where is*” basis without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Successful Offer (as defined herein), and approved by the Court. By submitting a bid, each Prospective Offeror (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Successful Offer and approved by the Court.

7. The Receiver will distribute to Interested Parties an interest solicitation letter (“**Teaser**”) which will provide an overview of this opportunity. A Confidentiality and Non-Disclosure Agreement (“**NDA**”) will also be distributed to the Interested Parties. Interested Parties will be required to sign the NDA in order to gain access to confidential information and to commence performing due diligence, if the Receiver determines that such Interested Party has a *bona fide* interest in the purchase of the Property (each Interested Party who signs a NDA being a “**Prospective Offeror**”). All NDA’s shall enure to the benefit of any purchaser of the Property.
8. The Receiver will provide to each Prospective Offeror: (i) a confidential information memorandum (“**CIM**”) prepared with information available to the Receiver, (ii) access to a secure electronic data room (the “**Data Room**”) established by the Receiver with information and documentation in the possession of the Receiver (which will include certain relevant and customary financial, operational and other information regarding the Property), and (iii) a proposed form of agreement of purchase and sale with the Receiver named as vendor (the “**APS**”).
9. The Receiver will also facilitate, due diligence by Prospective Offerors, including arranging site visits, as the Receiver determines appropriate. The Receiver may also attend such site visits as it considers appropriate.
10. Notwithstanding paragraph 7 above, the Receiver shall have the right to deny or limit any Prospective Offeror's access to confidential information, which may include denying access to confidential information, if in the Receiver’s reasonably held view such Prospective Offerors are not likely to be serious about submitting an offer for the Property.
11. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise.

Timeline

12. A chart summarizing the material deadlines for the Sale Process is set out below:

Event		Timeline
1	Receiver to prepare the list of Interested Parties, the Teaser, the NDA, the Data Room, CIM, APS, and draft advertisements	10 days, commencing on October 29 th , 2020

2	Publish notice of the sale in a nationally circulated newspaper	During the week of November 9, 2020 and again during the week of November 30, 2020
3	Publish notice of the sale on the Receiver’s website and through the Insolvency Insider e-mail publication	Commencing on November 9, 2020
4	Distribute Teaser and the NDA to those identified as Interested Parties	Commencing on November 9, 2020
5	Commence distribution of CIM and providing data room access to Prospective Offerors, after receiving executed copy of NDA (subject to the Receiver’s discretion as outlined herein)	Commencing on November 9, 2020
6	Plan and provide tours of the Property	From November 16, 2020 to January 8, 2020
7	Discussion with Prospective Offerors to provide updates and to resolve their queries	From November 23, 2020 to January 8, 2020
8	Deadline for submission of Offers	January 11, 2021 at 5:00 PM (Toronto Time) (the “Deadline”)
9	Acceptance of Successful Offer(s)	Up to 10 days after the submission deadline
10	Court motion to approve Successful Offer(s)	As soon as possible after acceptance
11	Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021

13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver, in its sole discretion acting reasonably, all with a view of maximizing the value of the Property.

Submission of Offers

14. The Receiver shall seek binding offers and accompanying material from Prospective Offerors (a "**Binding Offer**") in accordance with the timeline set out above that provides for:
 - (a) delivery of the Binding Offer by the Prospective Offeror on or before the Deadline;
 - (b) the identity of each person or entity (including its shareholders) that is sponsoring or participating in the Binding Offer and the complete terms of such participation, evidence of corporate authority, and proof of such offeror's financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
 - (c) in the form of a binding offer capable of acceptance and irrevocable 15 days after the Deadline;
 - (c) all Binding Offers are to be accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), in an amount equal to at least 10% of the total consideration contained in the Binding Offer;
 - (d) is substantially in the form of the APS, with any changes to the Binding Offer blacklined against the Receiver's form of APS;
 - (e) includes an acknowledgement and representation that the Prospective Offeror: (i) it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and/or any other assets to be acquired and liabilities to be assumed in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;

- (f) is not conditional upon:
 - (i) the outcome of any further due diligence;
 - (ii) obtaining financing; or,
 - (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction and vesting title in and to the purchaser.
- 15. Each offer submitted in accordance with paragraph 11 above shall be a "**Qualified Offer**" and each such offeror a "**Qualified Offeror**", as determined by the Receiver.
- 16. The Receiver may determine whether to entertain Binding Offers for the Property that do not conform to one or more of the requirements specified herein and deem such Binding Offers to be a Qualified Offer.

Post-Offer Deadline Procedure

- 17. If one or more Qualified Offers are received the Receiver may:
 - (a) accept one (or more, if for distinct transactions) Qualified Offer(s) (the "**Successful Offer**" and each Qualified Offeror making the Successful Offer(s) being a "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer(s) with the Successful Offeror(s); or
 - (b) continue negotiations with a selected number of Qualified Offerors (collectively, "**Selected Offerors**") with a view to finalizing one or more agreements with one or more Selected Offerors.
- 18. The Receiver shall not be under any obligation to accept the highest or best (or any) Qualified Offer and any selection of the Successful Offer(s) and the Selected Offeror(s) shall be entirely in the discretion of the Receiver, in consultation with the Legal Counsel. For greater certainty, the Receiver is hereby permitted to decline acceptance of any and all offers, including Qualified Offers.
- 19. A Binding Offer may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Offer being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Offer being determined shall result in the forfeiture of such Prospective Offeror's deposit as liquidated damages and not as a penalty.

20. No one, including any Interested Parties, Prospective Offerors, Qualified Offerors or Successful Offerors, shall be entitled to nor permitted any break, termination or similar fee or reimbursement of any kind. For greater certainty, all such persons shall be responsible for their own fees and costs of any kind, including those relating to any due diligence they may have performed, and any offers they each may make.
21. In the event a Qualified Offeror is not selected as a Successful Offeror, the Deposit shall be returned to the Qualified Offeror as soon as reasonably practicable.

Other Terms

22. If a Successful Offeror breaches its obligations under the terms of its offer, and if the Receiver chooses not to proceed with the Successful Offeror, any Deposit submitted in connection with the Successful Offer shall be forfeited to the Receiver as liquidated damages and not as a penalty.
23. The Receiver may: (a) determine which Qualified Offer, if any, is the highest or otherwise best offer, (b) reject at any time before the issuance and entry of an order approving a Successful Offer, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
24. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Interested Parties, Prospective Offerors, Qualified Offerors or Successful Offers, Turuss, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Prospective Offeror shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
25. Following the selection of the Successful Offer(s), and subject to the timeline set out above, the Receiver shall bring a motion to the Court (the "**Approval Motion**") for an order, substantially in the form of the Approval and Vesting Order attached to the APS, and authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer(s) and vest the Receiver's interest in the Property in the Successful Offeror(s).
26. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall complete the transaction of purchase and sale in accordance with the timeline set out above.

27. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Offers will be received, the Receiver, may terminate the Sale Process.
28. There shall be no amendments to this Sale Process, including for greater certainty the process and procedures set out herein, without further order of the Court. Notwithstanding the foregoing, the Receiver shall be permitted to extend the dates in the Sale Process by a total of up to three (3) weeks without further order of the Court.
29. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

TAB 3

Court File No. CV-20-00646729-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 29th
)	
JUSTICE MCEWEN)	DAY OF OCTOBER, 2020

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

and

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. C-43, AS AMENDED

SALE PROCESS ORDER

THIS MOTION, made by MNP Ltd., in its capacity as Court appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industrial Co., Ltd. (“**Turuss**”) for an order approving the sale process, set out in **Schedule “A”** hereto (the “**Sale Process**”), was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the First Report of the Receiver dated October 21, 2020 (the “**First Report**”), and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of [•] sworn [•], filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.

RECEIVER'S ACTIVITIES

2. **THIS COURT ORDERS** that the First Report is approved and the activities of the Receiver as described therein.

SALE PROCESS

3. **THIS COURT ORDERS** that the Sale Process be and is hereby approved and that the Receiver is authorized and directed to commence the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the property and assets of Turuss.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

5. **THIS COURT ORDERS** the Receiver and its respective affiliates, partners, employees and agents 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 Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).

GENERAL

6. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions on the discharge of its duties and powers hereunder.

Schedule “A” – Sale Process

Turuss (Canada) Industry Co., Ltd. Sale Process

Purpose

1. The proposed sale process (the “**Sale Process**”) for Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) for sale of its assets and business (collectively, the “**Property**”) would be conducted by MNP Ltd. in its capacity as court-appointed receiver and manager (the “**Receiver**”) with the input and assistance of Dentons Canada LLP (the “**Legal Counsel**”), in accordance with the terms and timeline set out below.
2. Any contemplated sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
4. Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Property, or any portion thereof, outside the Sale Process prior to the selection of a Successful Offeror.

Sale Process Procedures

5. The Receiver, in conjunction with MNP LLP’s real estate and corporate finance groups will compile a list of prospective purchasers, (together with any other party expressing an interest in the Property, the “**Interested Parties**”). The Receiver will make reasonable efforts to canvass the interest, if any, in the Property, of all Interested Parties.
6. The sale of the Property will be on an “*as is, where is*” basis without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Successful Offer (as defined herein), and approved by the Court. By submitting a bid, each Prospective Offeror (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Successful Offer and approved by the Court.

7. The Receiver will distribute to Interested Parties an interest solicitation letter (“**Teaser**”) which will provide an overview of this opportunity. A Confidentiality and Non-Disclosure Agreement (“**NDA**”) will also be distributed to the Interested Parties. Interested Parties will be required to sign the NDA in order to gain access to confidential information and to commence performing due diligence, if the Receiver determines that such Interested Party has a *bona fide* interest in the purchase of the Property (each Interested Party who signs a NDA being a "**Prospective Offeror**"). All NDA’s shall enure to the benefit of any purchaser of the Property.
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9. The Receiver will also facilitate, due diligence by Prospective Offerors, including arranging site visits, as the Receiver determines appropriate. The Receiver may also attend such site visits as it considers appropriate.
10. Notwithstanding paragraph 7 above, the Receiver shall have the right to deny or limit any Prospective Offeror's access to confidential information, which may include denying access to confidential information, if in the Receiver’s reasonably held view such Prospective Offerors are not likely to be serious about submitting an offer for the Property.
11. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise.

Timeline

12. A chart summarizing the material deadlines for the Sale Process is set out below:

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11	Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021

13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver, in its sole discretion acting reasonably, all with a view of maximizing the value of the Property.

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14. The Receiver shall seek binding offers and accompanying material from Prospective Offerors (a "**Binding Offer**") in accordance with the timeline set out above that provides for:
- (a) delivery of the Binding Offer by the Prospective Offeror on or before the Deadline;
 - (b) the identity of each person or entity (including its shareholders) that is sponsoring or participating in the Binding Offer and the complete terms of such participation, evidence of corporate authority, and proof of such offeror's financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
 - (c) in the form of a binding offer capable of acceptance and irrevocable 15 days after the Deadline;
 - (c) all Binding Offers are to be accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), in an amount equal to at least 10% of the total consideration contained in the Binding Offer;
 - (d) is substantially in the form of the APS, with any changes to the Binding Offer blacklined against the Receiver's form of APS;
 - (e) includes an acknowledgement and representation that the Prospective Offeror: (i) it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and/or any other assets to be acquired and liabilities to be assumed in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;
 - (f) is not conditional upon:
 - (i) the outcome of any further due diligence;
 - (ii) obtaining financing; or,

- (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction and vesting title in and to the purchaser.
15. Each offer submitted in accordance with paragraph 11 above shall be a "**Qualified Offer**" and each such offeror a "**Qualified Offeror**", as determined by the Receiver.
 16. The Receiver may determine whether to entertain Binding Offers for the Property that do not conform to one or more of the requirements specified herein and deem such Binding Offers to be a Qualified Offer.

Post-Offer Deadline Procedure

17. If one or more Qualified Offers are received the Receiver may:
 - (a) accept one (or more, if for distinct transactions) Qualified Offer(s) (the "**Successful Offer**" and each Qualified Offeror making the Successful Offer(s) being a "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer(s) with the Successful Offeror(s); or
 - (b) continue negotiations with a selected number of Qualified Offerors (collectively, "**Selected Offerors**") with a view to finalizing one or more agreements with one or more Selected Offerors.
18. The Receiver shall not be under any obligation to accept the highest or best (or any) Qualified Offer and any selection of the Successful Offer(s) and the Selected Offeror(s) shall be entirely in the discretion of the Receiver, in consultation with the Legal Counsel. For greater certainty, the Receiver is hereby permitted to decline acceptance of any and all offers, including Qualified Offers.
19. A Binding Offer may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Offer being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Offer being determined shall result in the forfeiture of such Prospective Offeror's deposit as liquidated damages and not as a penalty.
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21. In the event a Qualified Offeror is not selected as a Successful Offeror, the Deposit shall be returned to the Qualified Offeror as soon as reasonably practicable.

Other Terms

22. If a Successful Offeror breaches its obligations under the terms of its offer, and if the Receiver chooses not to proceed with the Successful Offeror, any Deposit submitted in connection with the Successful Offer shall be forfeited to the Receiver as liquidated damages and not as a penalty.
23. The Receiver may: (a) determine which Qualified Offer, if any, is the highest or otherwise best offer, (b) reject at any time before the issuance and entry of an order approving a Successful Offer, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
24. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Interested Parties, Prospective Offerors, Qualified Offerors or Successful Offers, Turuss, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Prospective Offeror shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
25. Following the selection of the Successful Offer(s), and subject to the timeline set out above, the Receiver shall bring a motion to the Court (the "**Approval Motion**") for an order, substantially in the form of the Approval and Vesting Order attached to the APS, and authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer(s) and vest the Receiver's interest in the Property in the Successful Offeror(s).
26. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall complete the transaction of purchase and sale in accordance with the timeline set out above.
27. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Offers will be received, the Receiver, may terminate the Sale Process.
28. There shall be no amendments to this Sale Process, including for greater certainty the process and procedures set out herein, without further order of the Court. Notwithstanding the foregoing, the Receiver shall be permitted to extend the dates in the Sale Process by a total of up to three (3) weeks without further order of the Court.

29. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

SALE PROCESS ORDER

DENTONS CANADA LLP

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Lawyers for the Receiver

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(returnable October 29, 2020)

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Robert Kennedy (LSO #474070)
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Lawyers for the Receiver