

**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 April 14, 2021)**

April 13, 2021

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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 April 14, 2021)**

MNP Ltd. (“MNP”), in its capacity as the court-appointed receiver and manager (the “Receiver”) of the assets, undertakings and properties of Turuss (Canada) Industry 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 April 14, 2021, at 10:30 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 of the Receiver dated April 13, 2021 (the “**Motion Record**”), for the following relief:
 - (a) abridging the time for service of the Motion Record and validating service thereof;

- (b) approving the stalking horse bidding procedures, substantially in the form attached as Schedule “A” to the draft form of Order attached as **TAB 3** (the “**Stalking Horse Bidding Procedures**”), and an extension of the Deadline from April 16, 2021 to April 30, 2021;
 - (c) authorizing the Receiver to execute the stalking horse asset purchase agreement between Receiver and Westmount Park Investments Inc. (“**Westmount**” or the “**Stalking Horse Bidder**”) dated April 13, 2021 (the “**Stalking Horse Bid**”);
 - (d) approving the fifth report of the Receiver dated April 13, 2021 to the Court (the “**Fifth Report**”), and the activities of the Receiver as described therein;
 - (e) approving a sealing order for the **Confidential Supplement** (as defined in the Fifth Report) dated April 13, 2021;
 - (f) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Fifth Report, the fee Affidavit of Jerry Henechowicz sworn April 12, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn April 13, 2021 (the “**Kennedy Affidavit**”); and
 - (g) such other matters considered relevant to the Receiver’s administration of this proceeding.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process (as defined herein).

THE GROUNDS FOR THE MOTION ARE:

Background

- 3. Turuss is a federally incorporated entity that manufactures, imports and distributes hardwood flooring;
- 4. Pursuant to the Order by Justice Hainey dated September 18, 2020 (the “**Receivership Order**”), MNP was appointed the receiver and manager over the assets, undertakings and

properties (the “**Property**”) of Turuss, including the commercial property located at 60 Industrial Park Road, Chesley, Ontario (collectively, the “**Chesley Property**”);

5. The Chesley Property is currently leased to Bruce Power L.P. (“**Bruce Power**”);
6. On October 29, 2020, this Court issued an Order authorizing and directing the Receiver to commence a sale process (the “**Sale Process Order**”) for the purpose of soliciting interest in and opportunities for a sale of the Property, including the Chesley Property (the “**Sale Process**”);
7. On January 11, 2021, the Court granted an Order authorizing an extension to the bid deadline (the “**Deadline**”) in the Sale Process to February 26, 2021;
8. The Receiver concluded a lease expansion, extending and amending agreement with Bruce Power dated March 23, 2021 (the “**Lease Expansion Agreement**”). The Lease Expansion Agreement, among other things, increases the leased space to approximately 349,000 sq. ft. to effectively encompass the entire main industrial building located on the Chesley Property, together with a small building adjacent to the main industrial building. In addition, approximately 5 acres of vacant land not utilized is being removed from Bruce Power’s occupancy. The Receiver made the Lease Expansion Agreement available in the Data Room for Prospective Offerors to review and assess as part of the due diligence process;
9. As result of the timing associated with concluding the Lease Expansion Agreement, the Receiver sought a further extension to the Deadline. On March 26, 2021, the Court issued an Order (the “**Auction Approval Order**”), which among other things, approved an extension to the Deadline to April 16, 2021, and approved auction procedures (the “**Auction Procedures**”) to supplement the Sale Process;

Proposed Stalking Horse Bid

10. The Receiver was recently presented with the unsolicited Stalking Horse Bid by Wesmount.

11. Westmount has agreed to act as the Stalking Horse Bidder and, if Westmount is selected as the Successful Offeror in accordance with the Stalking Horse Bidding Procedures, Westmount would acquire the Chesley Property. The Stalking Horse Bid is conditional on this Court approving and authorizing each of the Stalking Horse Bid and the Stalking Horse Bidding Procedures.
12. As a brief summary, the Stalking Horse Bid provides for the following key components:
 - (a) **Purchased Assets:** Those assets listed in Section 2.01 of the Stalking Horse Bid.
 - (b) **Purchase Price:** \$6,500,000.
 - (c) **Deposit:** \$650,000 (10% of Purchase Price).
 - (d) **Break Fee and Expense Reimbursement:** \$175,000 (2.69% of Purchase Price) (the “**Break Fee**”)
13. The Stalking Horse Bid provides for an unconditional offer and establishes a baseline price for superior bids from Prospective Offerors, which the Receiver believes will maximize the value of the Chesley Property for the benefit of Turuss and its stakeholders;
14. The Break Fee is a lower break fee percentage typically contained in receivership cases for similar assets. Accordingly, the Receiver is of the view that the Break Fee is fair and reasonable in the circumstances.
15. The Receiver anticipates that the value provided by the closing of the transaction associated with the Stalking Horse Bid will satisfy all secured debt and priority charges, and potentially a pool of funds for distribution to any unsecured creditors of Turuss.

Proposed Stalking Horse Bidding Procedures

16. Accompanying the Stalking Horse Bid is the Stalking Horse Bidding Procedures which, among other things, outlines a transactional structure for the Stalking Horse Bid and superior bids. The Stalking Horse Bidding Procedures will supplement and modify (where necessary) the Sale Process and Auction Procedures. In the event there is any conflict

between any provision contained in the Sale Process, Auction Procedures and the Stalking Horse Bidding Procedures, the terms of this Stalking Horse Bidding Procedures would govern and prevail.

17. As a brief summary, the Stalking Horse Bidding Procedures provide for the following:
- (a) the Stalking Horse Bidding Procedures is to be employed with respect to the sale of the Chesley Property. The Receiver will be responsible for conducting the Stalking Horse Bidding Procedures and Auction Procedures (if applicable);
 - (b) only a bid for the Chesley Property in whole and not in part, can be eligible to be a Qualified Offer, as contemplated in the Stalking Horse Bidding Procedures. For clarity, a “**Qualified Offeror**” is a Prospective Offeror who submits a binding bid and accompanying materials (other than the Stalking Horse Bid) (a “**Binding Offer**”) in substantially the same form as the Stalking Horse Bid submitted in the form of the template APS, for a purchase price of at least \$6,675,000 and satisfies the Bid Requirements (as defined in the Stalking Horse Bidding Procedures), as determined by the Receiver in its sole discretion. Any bid meeting these criteria that is received by the Receiver not later than 5:00 p.m. (local Toronto time) on April 30, 2021 is a qualified bid (“**Qualified Offer**”). The Stalking Horse Bid shall be deemed to be a Qualified Offer;
 - (c) the Receiver shall have the right to adopt, modify and implement such further and other rules and procedures. The Receiver also has the right to enter into an exclusive transaction outside the Stalking Horse Bidding Procedures or Auction Procedures prior to the selection of a Successful Offeror;
 - (d) the Receiver shall pay, under the conditions outlined in the Stalking Horse Bidding Procedures and in the Stalking Horse Bid, the Break Fee, in each case payable by the Receiver to the Stalking Horse Bidder only in the event that a Successful Offer other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and the associated transaction is completed;

- (e) the Stalking Horse Bidding Procedures provides for limitations on withdrawing, modifying, and amending a Binding Offer, and the Receiver may determine whether to entertain Binding Offers for the Property that do not conform to one or more of the requirements and deem such Binding Offers to be a Qualified Offer;
 - (f) if one or more Qualified Offers (other than that submitted by the Stalking Horse Bidder) have been received by the Receiver on or before April 30, 2021, the Receiver may implement the Auction (as defined in the Auction Procedures). In the event the Receiver elects, in its discretion, to implement the Auction, the Receiver shall advise all Qualified Offerors of the Lead Bid (as defined in the Stalking Horse Bidding Procedures) and invite all Qualified Offerors (including the Stalking Horse Bidder) to attend the Auction to be conducted by the Receiver in accordance with the Auction Procedures;
 - (g) the Auction shall be governed by the terms set out in the Auction Procedures;
 - (h) the Receiver is not required to select the bid with the highest purchase price amount and may, exercising its reasonable business judgment, select another bidder on the basis that it is the best bid even though not the highest purchase price;
 - (i) the sale of the Chesley Property to any Successful Offeror by the Receiver is expressly conditional upon the approval of the Successful Offer by the Court at the hearing of the Approval Motion;
 - (j) the Receiver has the ability to terminate the Stalking Horse Bidding Procedures and reject bids; and
 - (k) the Receiver has limited liability pursuant to the Stalking Horse Bidding Procedures.
18. In connection with the Stalking Horse Bidding Procedures, the Receiver is also requesting an extension to the bid Deadline from April 16, 2021 to April 30, 2021.
19. The Receiver submits that the Stalking Horse Bidding Procedures, and bid Deadline extension, is fair and reasonable in the circumstances.

Approval of Sealing Order

20. The information contained in the **Confidential Supplement** contains confidential and sensitive information in relation to the Sale Process which will impair the Sale Process if made available to the public. The Receiver is of the view that providing a sealing order aligns with the Sale Process, and is fair and reasonable in the circumstances.

Approval of Fees and Disbursements

21. The Receiver has provided services and incurred disbursements during the period of March 1, 2021 to March 31, 2021 which are described in the Fifth Report and in the Henechowitz Affidavit. The Fifth Report provides a fair and accurate description of the services provided and the amounts charged by MNP as Receiver;
22. Additionally, the Receiver has incurred legal fees of its legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Kennedy Affidavit;
23. The Receiver requests that this Court approve its interim accounts for the period of March 1, 2021 to March 31, 2021 in the amount of \$32,079.51, inclusive of disbursements and HST, and approve the interim accounts of its legal counsel for the period of March 1, 2021 to March 31, 2021 in the amount of \$87,467.01 inclusive of disbursements and HST (collectively, the “**Professional Fees**”);
24. The Receiver submits that the Professional Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order;

Other Grounds

25. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure* (Ontario);
26. Section 243 of the *Bankruptcy and Insolvency Act* (Canada);
27. Such further and other grounds as counsel may advise and this Court may permit;

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

28. The Fifth Report of MNP, in its capacity as Receiver dated April 13, 2021, filed;
29. The Confidential Supplement; and
30. Such further and other material as counsel may advise and this Court may permit.

DATE: April 13, 2021

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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/97850224921?pwd=aXlFWFlpVEF6KzF6eVBXY1R1Z2pCQT09>

Meeting ID: 978 5022 4921

Passcode: 255620

Dial by your location

+1 778 907 2071 Canada

+1 613 209 3054 Canada

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855 703 8985 Canada Toll-free

PILLAR CAPITAL CORP.
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- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(returnable April 14, 2021)

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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 -

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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

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

April 13, 2021

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APPENDICES

- Appendix “A”:** Appointment Order dated September 18, 2020 and corresponding Endorsement
- Appendix “B”:** Receiver’s First Report dated October 21, 2020
- Appendix “C”:** Receiver’s Second Report dated November 9, 2020
- Appendix “D”:** Receiver’s Third Report dated January 5, 2021 and accompanying Supplement to the Third Report dated January 20, 2021
- Appendix “E”:** Receiver’s Fourth Report dated March 23, 2021
- Appendix “F”:** Sale Process Order dated October 29, 2020 and corresponding Endorsement
- Appendix “G”:** Deadline Extension Order dated January 11, 2021 and corresponding Endorsement
- Appendix “H”:** Auction Procedures Order dated March 26, 2021
- Appendix “I”:** Stalking Horse Bid submitted by Westmount Park Investments Inc.
- Appendix “J”:** Henechowicz Affidavit sworn April 12, 2021
- Appendix “K”:** Kennedy Affidavit sworn April 13, 2021

CONFIDENTIAL APPENDICES

- Confidential Appendix “A”:** Confidential Supplement to the Fifth Report

INTRODUCTION

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order and its corresponding endorsement is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep sworn September 4, 2020, filed in support of the Appointment Order.
3. The Company is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is the sole officer and director of the Company. The Company’s primary asset consists of a 349,000 sq. ft. commercial property and adjacent vacant land located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), currently leased to Bruce Power L.P. (“**Bruce Power**”).
4. The Receiver has filed four reports in this receivership, namely:
 - (a) the first report to the Court (the “**First Report**”), dated October 21, 2020, in support of its motion (returnable October 29, 2021) seeking, *inter alia*, an order authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Chesley Property. A copy of the First Report (without appendices) is attached as **Appendix “B”**;
 - (b) the second report (the “**Second Report**”), dated November 9, 2020, in support of its motion (returnable November 10, 2020) seeking, *inter alia*, an order directing Jiang to deliver the Company’s books and records (the “**Books and Records**”) to the Receiver. A copy of the Second Report (without appendices) is attached as **Appendix “C”**;

- (c) the third report dated January 5, 2021, together with the Receiver's supplement to the third report, dated January 20, 2021 (collectively, the "**Third Report**"). A copy of the Third Report (without appendices) is attached as **Appendix "D"**;
- (d) the fourth report to the Court (the "**Fourth Report**"), dated March 23, 2021 in support of its motion (returnable March 26, 2021) seeking, *inter alia*, an order:
- (e) authorizing the Receiver to further extend the Deadline from March 26, 2021 to April 16, 2021; and
- (f) approving the approving auction procedures to be implemented by the Receiver in the event there were multiple competitive offers received for the Chesley Property on or before the Deadline ("**Auction Procedures**");

A copy of the Fourth Report (without appendices) is attached as **Appendix "E"**.

- 5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report (the "**Sale Process Order**"). A copy of the Sale Process Order and its corresponding endorsement is attached as **Appendix "F"**;
- 6. On January 11, 2021, the Court issued an order extending the Deadline from January 11, 2021 to February 26, 2021 (subject to a further extension by the Receiver, in its discretion, for an additional period no greater than four (4) weeks) (the "**Deadline Extension Order**") and corresponding endorsement. A copy of the Deadline Extension Order and corresponding endorsement is attached hereto as **Appendix "G"**;
- 7. On March 26, 2021, the Court issued an order extending the Deadline from March 26, 2021 to April 14, 2021, and approving the Auction Procedures (the "**Auction Procedures Order**"). A copy of the Auction Procedures Order and its corresponding endorsement is attached as **Appendix "H"**.
- 8. Information regarding the receivership proceedings has been posted to the Receiver's case website at www.mnpdebt.ca/turuss (the "**Website**").

PURPOSES OF THIS REPORT

9. The purpose of this the Receiver's fifth report dated April 13, 2021 (the "**Fifth Report**") is to provide the Court with information regarding:
- (a) the Receiver's activities since the time of the filing of the Fourth Report;
 - (b) the status of the Sale Process and the offers received for the Chesley Property to date, a Baseline Property Condition Assessment of the Chesley Property (the "**Pinchin BPCA**") as provided by Pinchin Ltd. ("**Pinchin**"), and the independent appraisal (the "**Colliers Appraisal**") of the Chesley Property as provided by Colliers International Realty Advisors Inc. ("**Colliers**"), as set out in the Receiver's confidential supplement to the Fifth Report dated April 13, 2021 (the "**Confidential Supplement**");
 - (c) the Asset Purchase Agreement dated April 13, 2021 (the "**Stalking Horse Bid**") between the Receiver and Westmount Park Investments Inc. ("**Westmount**" or the "**Stalking Horse Bidder**") in respect of the Chesley Property to be used as the "stalking horse bid";
 - (d) the Company's current debt due to secured creditors and the current borrowings pursuant to the Receiver's borrowing charge;
 - (e) the Receiver's rationale in support of its request to receive the authorization to execute the Stalking Horse Bid, and approval for the Stalking Horse Bidding Procedures (as defined herein);
 - (f) the Receiver's recommendation for an order, *inter alia*:
 - (i) abridging the time for service of the Motion Record of the Receiver dated April 13, 2021 and validating service thereof;
 - (ii) approving the stalking horse bidding procedures, substantially in the form attached as Schedule "A" to the draft form of Order (the "**Stalking Horse**");

Bidding Procedures”), and an extension of the Deadline from April 16, 2021 to April 30, 2021;

- (iii) authorizing the Receiver to execute the Stalking Horse Bid;
- (iv) approving a sealing order in respect of the Confidential Supplement;
- (v) approving this Fifth Report and the Receiver’s activities as described herein;
- (vi) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Fifth Report, the fee Affidavit of Jerry Henechowicz sworn April 12, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn April 13, 2021 (the “**Kennedy Affidavit**”); and
- (vii) such other matters considered relevant to the Receiver’s administration of this proceeding.

TERMS OF REFERENCE

10. In preparing the Fifth Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets which includes, but not limited to, the following information (collectively the “**Information**”):
 - (a) as provided by Jiang, which includes the Books and Records;
 - (b) as provided by Pillar Capital Corp. (“**Pillar Capital**”) and its legal counsel, Gowling WLG (Canada) LLP;
 - (c) obtained in discussions with Prospective Offerors, various parties that were prospective purchasers of the Chesley Property prior to the Appointment Order, and creditors and stakeholders generally;
 - (d) obtained by attending at the Chesley Property;

- (e) as provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
 - (f) obtained in discussions and negotiations with Bruce Power;
 - (g) as provided by Pinchin and Colliers in respect of their assessments and appraisals of the Chesley Property; and
 - (h) as otherwise available to the Receiver and its counsel.
11. Except as described in this Fifth 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.
12. All currency references are in Canadian Dollars unless otherwise specified.
13. This Fifth Report should be read in conjunction with the Confidential Supplement.
14. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process.

ACTIVITIES TO DATE

15. The Receiver's activities since filing the Fourth Report have concentrated on:
- (a) updating the Website, as necessary;
 - (b) continuing the implementation of the Sale Process;
 - (c) collecting rents and other amounts due from Bruce Power and paying the operating expenses of the Chesley Property;
 - (d) attending to various discussions with Prospective Offerors regarding the Sale Process and responding to due diligence inquiries as well as conducting inspections of the Chesley Property;

- (e) updating Prospective Offerors via data room notices regarding the Sale Process and matters relating to the Chesley Property;
- (f) attending to discussions and meetings with Bruce Power regarding improvements and alterations (the “**Alterations**”) to the Chesley Property as proposed by Bruce Power;
- (g) negotiating the Stalking Horse Bid;
- (h) amending and updating the service list; and
- (i) preparing this Fifth Report.

Lease Expansion Agreement

- 16. As set out in the Fourth Report, the Receiver and Bruce Power concluded a Lease Expansion, Extending and Amending agreement dated March 23, 2021 (the “**Lease Expansion Agreement**”). The Lease Expansion Agreement, among other things, increased the leased space to approximately 349,000 sq. ft. to effectively encompass the entire industrial facility located on the Chesley Property, including a small building on the opposite side of the street to the main industrial building. Of note, approximately 5 acres of vacant land not utilized is being removed from Bruce Power’s occupancy.
- 17. The Receiver has made the Lease Expansion Agreement available in the Sale Process data room for Prospective Offerors to review and assess as part of the due diligence process.
- 18. Currently, Bruce Power is in the process of reviewing the proposed Alterations project. The expectation is that the purchaser of the Chesley Property will likely engage in discussions with Bruce Power on the scope and potential timing associated with the proposed Alterations.

Sale Process | Offers Received to Date

- 19. In response to the Receiver’s implementation of the Sales Process, a number of Prospective Offerors are conducting due diligence. The Receiver has coordinated various on-site due

diligence tours of the Chesley Property and has responded to all reasonable due diligence requests.

20. Various offers have been submitted to the Receiver prior to the current Deadline of April 16, 2021 (as set by the Auction Procedures Order). These offers include the proposed Stalking Horse Bid, all of which have been reviewed by the Receiver and are summarized in the **Confidential Supplement**.

Building Condition Assessment and Appraisal

21. As part of the Receiver's review of the Chesley Property, the Receiver commissioned the Pinchin BPCA and Colliers Appraisal. A copy of the Pinch BPCA and Colliers Appraisal are attached to the **Confidential Supplement**.

Secured Debt and Priority Charges

22. The Receiver has obtained a security opinion from Dentons with respect to the security held by Pillar Capital Corp. ("**Pillar**") and Kou-Tong Hsieh ("**KTH**") by way of a charge/mortgage registered against title to the Chesley Property. Pillar has a charge registered in the amount of \$3,950,000, and KTH in the amount of \$550,000 (collectively, the "**Mortgage Debt**"). The Dentons opinions opine that, subject to the normal assumptions and qualifications, the security is valid and enforceable in accordance with its terms.
23. The Receiver has also issued three (3) Receiver's Certificates to Pillar as security for their advances to the Receiver pursuant to the Receiver's borrowing charge that have a current estimated balance due of approximately \$600,000.
24. Although requested, Canada Revenue Agency ("**CRA**") has not completed a trust examine or filed a Proof of Property Claim in these proceedings, based on a preliminary review of the Company's books and records as well as other available documentation, the Company's estimate liability for unremitted source deductions and HST is between \$100,000 and \$150,000.

THE STALKING HORSE BID AND STALKING HORSE BIDDING PROCEDURES

The Proposed Stalking Horse Bid

25. The Receiver recently received an unsolicited stalking horse offer from Westmount. This offer follows its prior unsolicited offer, as described in the **Confidential Supplement**.
26. Westmount has agreed to act as the Stalking Horse Bidder and, if Westmount is selected as the Successful Offeror in accordance with the Stalking Horse Bidding Procedures, Westmount would acquire the Chesley Property. The Stalking Horse Bid is conditional on this Court approving and authorizing each of the Stalking Horse Bid and the Stalking Horse Bidding Procedures.
27. The Stalking Horse Bid is an offer to purchase the right, title and interest of the Company, if any, in and to the Chesley Property certain related assets (collectively, the “**Purchased Assets**”) for the sum, subject to closing adjustments typical for this type of transaction, equal to the aggregate of the following amounts:
- (a) the purchase price is \$6,500,000 with a deposit of \$650,000 (equal to 10% of the purchase price);
 - (b) the balance due on closing is payable in cash; and
 - (c) closing date shall be completed within five (5) business days following the granting of an Approval and Vesting Order and no later than May 31, 2021.

A copy of the Stalking Horse Bid is attached as **Appendix “I”**.

28. A summary of the other key terms and conditions of the Stalking Horse Bid are as follows:
- (a) a combined break fee and expense reimbursement amount (collectively, the “**Break Fee**”) in favour of the Stalking Horse Bidder in the total amount of \$175,000 (plus applicable HST) payable by the Receiver only in the event that a Successful Offer other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and such transaction is completed;

- (b) representations and warranties are consistent with other similar insolvency transactions, i.e. the transaction is to be completed on an “*as is, where is*” basis without material representations and warranties; and
- (c) the only significant condition is the granting of an approval and vesting Order vesting title in and to the purchaser free and clear of all encumbrances, except any permitted encumbrances.

The Stalking Horse Bidding Procedures

29. Accompanying the Stalking Horse Bid is the Stalking Horse Bidding Procedures which, among other things, outlines a transactional structure for the Stalking Horse Bid and superior bids. The Stalking Horse Bidding Procedures will function effectively as a continuation and supplement to the Sale Process and previously approved Auction Procedures. As a brief summary, the Stalking Horse Bidding Procedures provides for the following:

- (a) the Receiver will be responsible for conducting the Stalking Horse Bidding Procedures and Auction Procedures (if applicable);
- (b) only a bid for the Chesley Property, in whole and not in part, can be eligible to be a Qualified Offer. For clarity, a “**Qualified Offeror**” is a Prospective Offeror who submits a binding bid and accompanying materials (other than the Stalking Horse Bid) (a “**Binding Offer**”) in substantially the same form as the Stalking Horse Bid submitted in the form of the template APS, for a purchase price of at least \$6,675,000 and satisfies the Bid Requirements (as defined in the Stalking Horse Bidding Procedures), as determined by the Receiver in its sole discretion. Any bid meeting these criteria that is received by the Receiver not later than 5:00 p.m. (Eastern time) on April 30, 2021 is a qualified offer (“**Qualified Offer**”);
- (c) the Receiver shall have the right to adopt, modify and implement such further and other rules and procedures. The Receiver also has the right to enter into an exclusive transaction outside the Stalking Horse Bidding Procedures or Auction Procedures prior to the selection of a Successful Offeror;

- (d) the Receiver shall pay, under the conditions outlined in the Stalking Horse Bidding Procedures and in the Stalking Horse Bid, the Break Fee, only in the event that a Successful Offer other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and the associated transaction is completed;
- (e) the Stalking Horse Bidding Procedures provides for limitations on withdrawing, modifying, and amending a Binding Offer, and the Receiver may determine whether to entertain Binding Offers that do not conform to one or more of the requirements and deem such Binding Offers to be a Qualified Offer;
- (f) if one or more Qualified Offers (other than that submitted by the Stalking Horse Bidder) have been received by the Receiver on or before April 30, 2021, the Receiver may implement the Auction (as defined in the Auction Procedures). In the event the Receiver elects, in its discretion, to implement the Auction, the Receiver shall advise all Qualified Offerors of the Lead Bid (as defined in the Stalking Horse Bidding Procedures) and invite all Qualified Offerors (including the Stalking Horse Bidder) to attend the Auction to be conducted by the Receiver in accordance with the Auction Procedures;
- (g) the Auction shall be governed by the terms set out in the Auction Procedures;
- (h) in the event there is any conflict between any provision in the Sale Process, Auction Procedures and the Stalking Horse Bidding Procedures, the terms of this Stalking Horse Bidding Procedures shall govern and prevail;
- (i) the Receiver is not required to select the bid with the highest purchase price amount and may, exercising its reasonable business judgment, select another bidder on the basis that it is the best bid even though not the highest purchase price;
- (j) the Successful Offer is conditional upon the approval of the Successful Offer by the Court at the hearing of an approval motion; and
- (k) the Receiver has the ability to terminate the Stalking Horse Bidding Procedures and reject bids.

30. In connection with the Stalking Horse Bidding Procedures, the Receiver is also requesting an extension to the bid Deadline from April 16, 2021 to April 30, 2021.

Recommendation Regarding Stalking Horse Bidding Procedures

31. The Receiver is of the view that the Stalking Horse Bidding Procedures described above, is fair and reasonable in the circumstances, for the following reasons:

- (a) it provides for a transparent, fair and efficient mechanism to select a transaction that produces the best result for all stakeholders;
- (b) the bid Deadline of April 30, 2021 is reasonable and will provide all Prospective Offerors sufficient time to assess the Stalking Horse Bid and potentially submit a bid;
- (c) the Stalking Horse Bid creates certainty by way of an unconditional bid, and establishes a floor value for the Purchased Assets while providing an opportunity to market the Purchased Assets for superior realizations to the Purchase Price contemplated in the Stalking Horse Bid;
- (d) the Receiver is of the view that the Purchase Price of \$6,500,000 is commercially reasonable in the circumstances since:
 - (i) the Chesley Property has been and will continue to be widely marketed for a reasonable period of time and exposed to a wide group of Prospective Offerors;
 - (ii) is reasonable in comparison to the market value of the Chesley Property reported in the Colliers Appraisal that was prepared based on completion of the Lease Expansion Agreement after taking account of the anticipated capital expenditure forecast in the Pinchin BCA;
 - (iii) the estimated sale proceeds will be sufficient to fully repay the Mortgage Debt, the Receiver's charge and borrowing's charge, any priority payables,

with a potential pool of funds for distribution to any proven unsecured creditors and possibly equity holders;

- (e) the proposed Break Fee of \$175,000 represents approximately 2.69% of the Purchase Price and is considered to be commercially reasonable for a transaction of this magnitude;
 - (f) the Stalking Horse Bid avoids further relying on unknown market conditions due to the COVID-19 pandemic; and
 - (g) the stalking horse process it is a commonly used method to sell distressed assets in Canadian insolvency proceedings.
32. In summary, the Receiver recommends that the Court authorize the Receiver to execute the Stalking Horse Bid, and approve the Stalking Horse Bidding Procedures as described above, on the basis that it is an effective strategy to maximize the value of the Chesley Property. The Receiver is of the view that the Stalking Horse Bid will provide a benchmark for the realization of the Purchased Assets, while at the same time providing a forum and deadline to permit and encourage any serious alternative bidders to come forward with unconditional offers to purchase the Chesley Property.

APPROVAL OF SEALING ORDER

33. The information contained in the **Confidential Supplement** contains confidential and sensitive information in relation to the Sale Process which will impair the Sale Process if made available to the public. The Receiver is of the view that providing a sealing order aligns with the Sale Process, and is fair and reasonable in the circumstances.

APPROVAL OF FEES AND DISBURSEMENTS

Receiver's Fees and Disbursements

34. The Receiver has issued one invoice covering its fees and disbursements for the period from March 1, 2021 to March 31, 2021 totaling \$32,079.51, comprising fees of \$27,928.25, disbursements of \$460.70 and applicable HST of \$3,690.56. Attached as **Appendix "J"** is

the Henechowicz Affidavit describing the aforementioned fees and disbursements of the Receiver. The Receiver requests that the Court approve the Receiver's fees and disbursements given that they are reasonable and justified in the circumstances.

Legal Fees and Disbursements

35. Dentons has issued one invoice (the "**Dentons Account**") covering its fees and disbursements for the period of March 1, 2021 to March 31, 2021 totaling \$87,467.01, inclusive of HST. Attached as **Appendix "K"** is the Kennedy Affidavit describing the aforementioned fees and disbursements of Dentons and attaching the Dentons Account.
36. It is the Receiver's opinion that the fees and disbursements of Dentons, and the activities described in the dockets in support of the Dentons accounts, as set out in the Kennedy Affidavit are reasonable and justified in the circumstances, and accurately reflect the work done on behalf of the Receiver by Dentons. The Receiver requests that the Court approve the fees and disbursements of Dentons.

CONCLUSION AND RECOMMENDATION

37. Based on the foregoing and as outlined in this Fifth Report, the Receiver respectfully requests that this Court issue an order as per paragraph 9(f), above.

All of which is respectfully submitted this 13th day of April 2021.

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 Fifth 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 Dizop 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;

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- (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;

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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/scj/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

- 7 -

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.

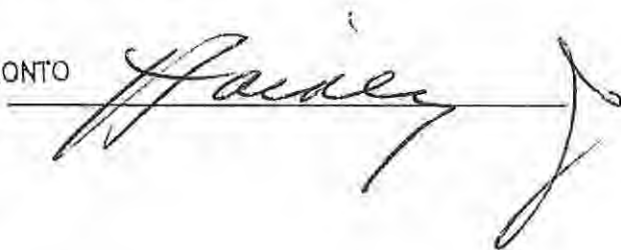
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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 Turiss (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.

- 2 -

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) INDUSTRY CO., LTD.

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

Respondent

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p>	<p>RECEIVERSHIP ORDER</p>
<p>GOWLING WLG (CANADA) LLP Barristers & Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto ON M5X 1G5 Tel: 416-862-7525 Fax: 416-862-7661</p> <p>Thomas Gertner (LSO# 67756S) Tel: 416-369-4618 thomas.gertner@gowlingwlg.com</p> <p>Solicitors for the Applicant</p>	

Court File Number: CV-20-00646729

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Pillae Capital Corp
Plaintiff(s)

AND

Treuss (Canada) Treasury
Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: _____
- Time Table approved (as follows):

(1) Order to go on the terms of the attached.

Hainey J.

September 18, 2020

_____ Date

_____ Judge's Signature

Additional Pages _____

Appendix “B”
to the Fifth 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 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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APPENDICES

Appendix “A” – Appointment Order, Dated September 18, 2020

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

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

FIRST REPORT OF THE RECEIVER

DENTONS CANADA LLP

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Toronto, Ontario M5K 0A1

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Lawyers for the Receiver

Appendix “C”
to the Fifth 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 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

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

NOVEMBER 9, 2020

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APPENDICES

Appendix “A” – Appointment Order, dated September 18, 2020

Appendix “B” – First Report of the Receiver

Appendix “C” – Sale Process Order, dated October 29, 2020

Appendix “D” – Letter from Dentons Canada LLP to Yang Jiang, dated October 5, 2020

Appendix “E” – Email from Dentons Canada LLP to Yang Jiang, dated October 30, 2020

Appendix “F” – Email from the Receiver to Yang Jiang, dated November 5, 2020

Appendix “G” – DSF E-mail

Appendix “H” – Emix Statement of Claim

INTRODUCTION AND PURPOSE

1. On September 18, 2020, 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**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). 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. On October 21, 2020, the Receiver filed its first report to Court (the “**First Report**”) in support of its motion returnable October 29, 2020 seeking *inter alia* an order authorizing the Receiver to complete a specified sales process for the Company’s principal asset being a commercial rental property located at 60 Industrial Park Drive, Chesley, Ontario (the “**Chesley Property**”). A copy of the First Report (without appendices) is attached as **Appendix “B”**.
4. On October 29, 2020, the Court issued an order authorizing the Receiver to complete the sale process for the Chesley Property set out in the First Report (the “**Sale Process Order**”), a copy of which is attached as **Appendix “C”**.
5. The purpose of this Receiver’s second report to the Court (the “**Second Report**”) is to provide the Court with information regarding:
 - (a) the Receiver’s attempts to obtain the Company’s books and records and the Receiver’s communications with the Company’s principal and sole director, Ms. Yang Jiang (“**Jiang**”), generally;
 - (b) the Receiver’s findings regarding Fortune Gate Timber Products Inc. (“**Fortune Gate**”), hardwood flooring stores operating as Total Hardwood Flooring (“**Total Hardwood**”), Elite International Forest Ltd. (“**Elite**”) and Vidar Design Flooring (“**Vidar**”), all of which appear to be related to the Company and/or Jiang and appear

to be carrying on aspects of the Company's business (collectively, the "**Flooring Entities**"); and

- (c) the Receiver's recommendation for an Order, *inter alia*:
 - (i) directing Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic books and records of Turuss and the Flooring Entities, including a complete accounting of all activities conducted by Total Hardwood up to and including the date of the Appointment Order,;
 - (ii) requiring Jiang to attend for an examination under oath by the Receiver on 3 business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities, both before and following the Appointment Order; and
 - (iii) such other matters considered relevant to the Receiver's administration of this proceeding.

TERMS OF REFERENCE

6. In preparing this Second 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 Chesley Property;
- (c) provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
- (d) as set out in the Dizep Affidavit, filed in connection with the application for the Appointment Order;
- (e) as provided by The Manufacturers Life Insurance Company ("**Manulife**");

- (f) obtained by attending at two locations identified as being leased by Turuss (Canada) Industry Co., Ltd o/a Total Hardwood Flooring from Emix Ltd. (“**Emix**”), as follows: (i) Total Hardwood Flooring at 1099 Kingston Rd E., Pickering Ontario (“**Total Hardwood Pickering**”), and (ii) an unmarked unit in a retail plaza at 2600 John Street, Suite 206, Markham, Ontario (“**Total Hardwood Markham**”);
- (g) obtained by an employee of Total Hardwood Pickering; and
- (h) as otherwise available to the Receiver and its counsel.

7. Except as describe in this Second 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.

8. All currency references are in Canadian Dollars unless otherwise specified.

REQUESTS TO OBTAIN ACCESS TO THE COMPANY’S BOOKS AND RECORDS

9. Shortly after its appointment, the Receiver attended at the Chesley Property and met with Jamie Hingston (“**Hingston**”), the on-site property maintenance manager and the only former employee of Turuss known to the Receiver. Hingston advised that, to his knowledge, all of the Company’s books and records of Turuss were kept and maintained by Jiang at another location.

10. On October 5, 2020, Dentons Canada LLP (“**Dentons**”), counsel to the Receiver sent a notice to Jiang demanding the production by Jiang of all books and records related to Turuss in accordance with the provisions of the Appointment Order. A copy of the notice dated October 5, 2020 is attached as **Appendix “D”**.

11. After receiving no response from Jiang, Dentons sent another e-mail correspondence to Jiang on October 30, 2020 (the “**October 30 Email**”). Jiang replied on the same date requesting contact information for the Receiver, which were provided by Dentons shortly thereafter. A copy of the October 30, Email and Jiang’s response is attached as **Appendix “E”**.

12. On November 5, 2020, the Receiver sent an e-mail (the “**November 5 Email**”) to Jiang again requesting delivery of the Company’s books and records. As detailed below, the Receiver had since become aware that Turuss may have had additional business operations, and/or interests in other corporations. Therefore, in addition to requesting access to the books and records of Turuss, the Receiver requested that Jiang provide all details of any business or other operations of Turuss that were conducted or continuing other than at the Chesley Property. A copy of November 5 Email including Jiang response is attached as **Appendix “F”**.

13. As of the issuance of this Second Report, Jiang has failed to provide any of the books and records of the Turuss, or any information with respect of any additional operations of the Company or any interest that Turuss may have in the Flooring Entities, despite the Receiver’s repeated requests.

Total Hardwood Flooring

14. On the evening of November 3, 2020, the Receiver received an e-mail from Oren Chaimovitch of Devry Smith Frank LLP (the “**DSF E-mail**”) as counsel to Emix, landlord of Total Hardwood Pickering. The DSF E-mail indicated that a lease exists as between Turuss (Canada) Industry Co., Ltd. o/a Total Hardwood Flooring, as tenant, and Emix, as landlord and Fortune Gate as indemnifier of the Turuss obligations under the lease. The DSF E-mail further advised that Turuss was in default and had mistakenly issued a Statement of Claim against Turuss (given the stay of proceedings contained in the Appointment Order) with respect to the default of the lease (the “**Emix Statement of Claim**”) since Emix just recently became aware of the Receiver’s appointment. Attached as **Appendices “G”** and “**H**” is the DSF E-mail and Emix Statement of Claim, respectively.

15. Prior to the receipt of the DSF E-Mail, the Receiver was not made aware of any interest of Turuss in any other business activity generally, other than related to the Chesley Property. More specifically, the Receiver had no knowledge of the existence and operations of Total Hardwood Flooring, nor any knowledge of any existing lease agreements in relation to Total Hardwood Pickering.

16. On November 5, 2020, the Receiver spoke with Mr. Chaimovitch and advised that the Receiver was investigating these previously unknown locations of Turuss and would advise of its intentions regarding same as soon as possible.

17. The Receiver attended at the Total Hardwood Pickering and the Total Hardwood Markham on November 4, 2020.

18. The Total Hardwood Pickering is a retail storefront for the sale of hardwood and laminate flooring. An employee was present, Courtney Rutledge (“**Rutledge**”), who identified himself as the sole employee at Total Hardwood Pickering. Rutledge noted to the Receiver that Total Hardwood Flooring operates an additional location in Barrie, Ontario, however, although the two share a name and a website, the two locations are not owned or controlled by the same entity. Rutledge discussed some of the product offerings with the Receiver and of note was that the main product offered by Total Hardwood Flooring was engineered hardwood flooring produced by Vidar Design Flooring (“**Vidar**”).

19. While attending at the Total Hardwood Markham, the Receiver noted that there was no exterior signage present and that the leased unit, while containing office furniture and other contents, did not appear to be occupied.

20. The Receiver’s search of Total Hardwood Flooring’s website, www.totalhardwoodflooring.com, indicated that an additional location exists at 131 Saunders Road, Barrie, Ontario (the “**Total Hardwood Barrie**”).

21. On November 6, 2020, the Receiver attended at the Total Hardwood Barrie. Similar to Total Hardwood Pickering, the store was open and sells hardwood and laminate flooring products. Only one employee was present, Chris Garratt (“**Garratt**”). Garratt advised the Receiver that he was the only employee at Total Hardwood Barrie and that while Total Hardwood Barrie and Total Hardwood Pickering share a website and trade name, that they are owned and operated by separate entities.

22. The specifics of the operating structure outlined by Rutledge and Garratt are unknown by the Receiver.

Fortune Gate Timber Products Inc.

23. The Receiver took possession large equipment that was previously used by Turuss (the “**Snow Removal Equipment**”) located at the Chesley Location. An Ontario *Personal Property Security Act* search conducted on Fortune Gate reveals that the Snow Removal Equipment is owned by Fortune Gate. A corporate a search of Fortune Gate dated September 23, 2020, lists Jiang as the sole director with a registered address at 1775 Sismet Road, Unit 2, Mississauga, Ontario (the “**Mississauga Location**”).

24. The Emix Statement of Claim identifies Fortune Gate as the indemnifier of Turuss’ lease obligations for the Total Hardwood Pickering location.

Elite International Forest Ltd.

25. In its initial meeting with the Company’s only known employee Hingston, the onsite property manager, Hingston advised that Turuss had provided him with group health benefits through Manulife (the “**Manulife Plan**”).

26. The Receiver contacted Manulife to arrange continuing coverage for Hingston as a condition of his employment by the Receiver. Manulife confirmed that the Manulife Plan had 13 active members and would not continue coverage solely for Hingston. Included in the list of active members was Rutledge. The Receiver was able to make alternative coverage arrangements for Hingston and terminated the Manulife Plan on October 2, 2020.

27. The Receiver was contacted on November 6, 2020 by Steven Li, an employee of Elite located in Vancouver, British Columbia, to inquire as to why the Receiver had terminated the group benefits plan for employees of Elite. On the same date, the Receiver was contacted by a representative of Manulife’s in-house legal counsel inquiring as to the relationship as between Turuss and Elite.

28. It is unclear as to what relationship exists as between Turuss and Elite, however it is apparent that Turuss maintained the Manulife Plan for employees of various other entities, including Elite and Total Hardwood Flooring.

29. A search of Vidar's website, www.vidarflooring.com, states that Vidar is the flagship flooring brand under Elite. Further, the Vidar website shows that Vidar's Ontario office is the same as Fortune Gate's registered address, specifically the Mississauga Location.

CONCLUSION AND RECOMMENDATION

30. Despite the Receiver's repeated requests for the delivery of the Turuss books and records, Jiang has failed to respond to the Receiver and deliver the books records in accordance with the Appointment Order. In addition, following the Receiver's investigations into the operations of Turuss, it appears Jiang is continuing certain aspects of the Turuss' business as Total Hardwood Flooring. Furthermore, the relationships and potentially interconnected operations of the Flooring Entities is unclear and might be being concealed by Jiang.

31. Based on the above and the lack of cooperation and information provided by Jiang, the Receiver has concerns that there may be additional assets owned by Turuss, and/or operations being conducted by Jiang in the name of Turuss to which liabilities may be incurred by Turuss, of which the Receiver is currently unaware. The issues outlined above have the potential to prejudice the receivership administration and the various stakeholders in these proceedings.

32. Additionally, the Receiver cannot discharge its duties as Receiver without production of all of the books and records. The failure on the part of Jiang to provide the books and records necessitates the Receiver expending additional time and resources seeking out the information from third parties, thereby increasing the costs of the receivership for all of the Company's stakeholders.

33. The books and records are urgently required, especially since it appears that Jiang is continuing to operate Turuss at different locations throughout Ontario.

34. Further, any additional delay with respect to the production of the books and records may impact the Receiver's ability to effectively conduct the previously approved sale process in respect of the Chesley Property. Many of the documents and information requested by the Receiver may need to be available to all potential purchasers for the purposes of conducting due diligence in respect of Turuss and the Chesley Property.

35. Jiang is the sole director and officer of the Company. The books and records of the Company are, or should be, within her possession and control. The Receiver is of the view that the relief sought is both appropriate and necessary in light of the difficulty it has faced to date in obtaining even the most basic financial information and records in respect of the Company's business.

36. Accordingly, the Receiver is respectfully requesting that this Court issue an Order granting the relief set out in paragraph 5 of this Second 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

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

SECOND REPORT OF THE RECEIVER

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Lawyers for the Receiver

Appendix “D”
to the Fifth 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 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

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

JANUARY 5, 2021

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APPENDICES

Appendix “A” – Appointment Order, Dated September 18, 2020
Appendix “B” – Receiver’s First Report, Dated October 21, 2020
Appendix “C” – Sales Process Order, Dated October 29, 2020
Appendix “D” – Receiver’s Second Report, Dated November 9, 2020
Appendix “E” – Document Production Order, Dated November 10, 2020
Appendix “F” – Correspondence dated November 17, 2020 and December 2, 2020
Appendix “G” – Newspaper Advertisements, Dated November 10, 2020 and December 1, 2020 and December 3, 2020
Appendix “H” – Fee Affidavit of the Receiver, sworn January 5, 2021
Appendix “I” – Fee Affidavit of the Receiver’s Counsel, sworn January 5, 2021
Appendix “J” – Receiver’s Interim Statement of Receipts and Disbursements

INTRODUCTION AND PURPOSE

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). 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 is a federally incorporated entity that manufactures, imports and distributes hardwood flooring. Jiang (as defined herein) is the sole officer and director of the Company. The Property primarily consists of a 340,000 sq. ft. commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), with a majority portion of the Chesley Property being leased to Bruce Power (as defined herein).
4. On October 21, 2020, the Receiver filed its first report to Court (the “**First Report**”) in support of its motion seeking, *inter alia*, an order authorizing the Receiver to complete a specified sales process (the “**Sale Process**”) for the Chesley Property. A copy of the First Report (without appendices) is attached as **Appendix “B”**.
5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the sale process for the Chesley Property as set out in the First Report (the “**Sale Process Order**”). A copy of the Sale Process Order is attached as **Appendix “C”**.
6. On November 9, 2020, Receiver’s filed its second report to the Court (the “**Second Report**”) to provide the Court with information regarding:
 - (a) the Receiver’s attempts to obtain the Company’s books and records (the “**Books and Records**”) and the Receiver’s communications with the Company’s sole officer and director, Ms. Yang Jiang (“**Jiang**”), generally;

- (b) the Receiver’s findings regarding Fortune Gate Timber Products Inc. (“**Fortune Gate**”), hardwood flooring stores operating as Total Hardwood Flooring (“**Total Hardwood**”), Elite International Forest Ltd. (“**Elite**”) and Vidar Design Flooring (“**Vidar**”), all of which appear to be related to the Company and/or Jiang and appear to be carrying on aspects of the Company’s business (collectively, the “**Flooring Entities**”); and
- (c) seeking an Order, *inter alia*:
 - (i) directing Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic Books and Records of Turuss and those of the Flooring Entities (including a complete accounting of all activities conducted by Total Hardwood up to and including the date of the Appointment Order);
 - (ii) requiring Jiang to attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company’s relationship to and interests in the Flooring Entities, both before and following the Appointment Order; and
 - (iii) such other matters considered relevant to the Receiver’s administration of this proceeding.

A copy of the Second Report is attached hereto as **Appendix “D”**.

- 7. On November 10, 2020, the Court issued the order sought by the Receiver (the “**Document Production Order**”) directing Jiang to, among other things:
 - (a) deliver to the Receiver on or before November 13, 2020, all physical and electronic books and records of the Company as well as those related to the Flooring Entities, including a complete accounting of all activities conducted by Total Hardwood; and

- (b) attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities.

A copy of the Document Production Order is attached hereto as **Appendix "E"**.

PURPOSES OF THIS REPORT

- 8. The purpose of this the Receiver's third report (the "**Third Report**") is to provide the Court with information regarding:
 - (a) the Receiver's activities since the time of the filing of the Second Report;
 - (b) the Receiver's attempts to obtain the Books and Records and Jiang's responses to the Receiver's requests as well as her non-compliance with the Document Production Order, generally;
 - (c) an update on the status of the Sale Process and Bruce Power's (as defined herein) offer to expand the terms of the existing lease;
 - (d) the Receiver's recommendation for an Order, *inter alia*:
 - (i) finding that Jiang is in contempt of the Document Production Order;
 - (ii) directing Jiang to pay the Receiver's costs of the within motion on a full indemnity basis or, in the alternative, a substantial indemnity basis;
 - (iii) authorizing the Receiver to extend the offer deadline of January 11, 2021, as contemplated and set forth in the sale process approved by the Sale Process Order (the "**Sale Process**"), to February 26, 2021 (the "**Amended Deadline**");
 - (iv) approving this Third Report and the Receiver's activities as described herein;

- (v) approving the Receiver's fees and disbursements, including the fees and disbursements of the Receiver's independent counsel, Dentons Canada LLP ("**Dentons**");
- (vi) approving the Receiver's interim statement of receipts and disbursements dated December 29, 2020 (the "**R&D**"); and
- (vii) such other matters considered relevant to the Receiver's administration of this proceeding.

TERMS OF REFERENCE

9. In preparing this Third 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 Chesley Property;
 - (c) provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
 - (d) as set out in the Dizep Affidavit, filed in connection with the application for the Appointment Order;
 - (e) as provided by The Manufacturers Life Insurance Company;
 - (f) obtained by attending at the locations of the Flooring Entities and provided by the personnel at those locations;
 - (g) obtained in discussions with Bruce Power LP ("**Bruce Power**"), the Company's sole tenant at the Chesley Property pursuant to a lease dated November 30, 2018, as amended (the "**Bruce Power Lease**");

- (h) discussions and other communications with various parties that were prospective purchasers of the Chesley Property, prior to the Appointment Order;
 - (i) provided by Colliers (as defined herein) in respect of its review and appraisal of the Chesley Property; and
 - (j) as otherwise available to the Receiver and its counsel.
10. Except as described in this Third 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.
11. All currency references are in Canadian Dollars unless otherwise specified.

REQUESTS TO OBTAIN ACCESS TO THE BOOKS AND RECORDS

12. Between October 5, 2020 and November 5, 2020, the Receiver repeatedly requested the Books and Records from Jiang. Below is a summary of those communications:
- (a) On October 5, 2020, the Receiver, via its counsel Dentons, delivered correspondence to Jiang (the “**Letter**”). As part of this Letter, the Receiver stated to Jiang that the Receiver has not been able to locate the Books and Records and demanded that Jiang to immediately deliver the Books and Records to the Receiver. In addition to the foregoing, the Receiver requested all information relating to all the subsidiaries of the Company (including Total Hardwood) (collectively, the “**Turuss Enterprise**”), and any information relating to any other operating locations for the Turuss Enterprise;
 - (b) On October 30, 2020, the Receiver sent a follow-up email to Jiang asking for Jiang to deliver the Books and Records to the Receiver as soon as possible, in addition to again requesting all information relating to the Turuss Enterprise, and any information relating to any other operating locations for the Turuss Enterprise;

- (c) On November 5, 2020, the Receiver sent a second follow-up email to Jiang, asking for Jiang to immediately provide the Receiver with the Books and Records including, but not limited to the following:
- (i) Bank statements;
 - (ii) Financial statements (internally and externally prepared);
 - (iii) Copies of annual income tax returns;
 - (iv) Copies of provincial sales tax returns;
 - (v) Copies of any trust examination and assessment notices by the Canada Revenue Agency (the “CRA”);
 - (vi) Payroll records;
 - (vii) Employee information, such as T-4 documentation and records of employment; and
 - (viii) Access to, or a backup of, any digital accounting software used by the Company (collectively, the “Urgent Records”).
13. The Receiver had also become aware of the Company / Jiang operating from separate locations, and requested from Jiang:
- (a) On November 5, 2020, details of all business and operations of the Company conducted outside the Chesley Property; and
 - (b) On November 6, 2020, an accounting of all business and operations that were conducted by Total Hardwood, as well as an explanation as to the relationship between the Company, Fortune Gate Timber Products Inc. and Elite International Forest Ltd.
14. Further details regarding the communications between the Receiver and Jiang are set out in the Second Report, attached as **Appendix “D”**.

15. Prior to the motion for the Document Production Order, on November 9, 2020, Jiang provided limited books and records of Turuss. The information provided generally consisted of bank statements from a limited time period, financial statements internally-prepared and in draft form, copies of T2s and T4s, CRA records, an attempted approach to explain at a very high level the business activity of the Company and the Flooring Entities, and a note that Jiang was in the process of updating the Turuss digital accounting records, maintained through Quickbooks (the “**Quickbooks Files**”), which required an additional two days.
16. On November 10, 2020, the Document Production Order was issued by the Court. Jiang was present at the motion for the Document Production Order.
17. Immediately after the issuance of the Document Production Order, the Receiver sent an email to Jiang to coordinate a virtual meeting for the purpose of discussing the delivery of the Books and Records as well as the relationship of Turuss with the various Flooring Entities.
18. The Receiver and Jiang met virtually on November 10, 2020 (the “**November 10th Meeting**”) and discussed the following:
 - (a) The identification of bank accounts held by Turuss and the Flooring Entities;
 - (b) Employee matters, specifically with respect to the number of employees and payroll details;
 - (c) In progress orders relating to Total Hardwood (Pickering location only, as the Barrie location is owned and operated by a separate entity);
 - (d) The relationship as between Turuss and the Flooring Entities; and
 - (e) The timing as to when Jiang would provide the Receiver with the Books and Records as required by the Document Production Order including, but not limited to, the Urgent Records.

19. During the November 10th Meeting, Jiang advised the Receiver that she was still in the process of bringing the Quickbooks Files up to date and that the digital records would be provided within another two days.
20. While Jiang attended a virtual meeting with the Receiver after the Document Production Order and subsequently provided the Receiver with invoices, receipts, and sales orders pertaining to Total Hardwood and suppliers, along with a summary of this documentation, Jiang did not produce all Books and Records of the Company and the Flooring Entities, or a complete accounting of all activities conducted by Total Hardwood, by November 13, 2020 (the Court imposed deadline). The complete Books and Records have still not been obtained despite further requests by the Receiver and the Receiver's counsel, Dentons, on November 13, November 17, and December 2, 2020. One response was received from Jiang, but no further information or documentation pertaining to the Company or the Flooring Entities was provided. A copy of the November 17, 2020 and December 2, 2020 correspondence is attached hereto as **Appendix "F"**.

RECOMMENDATION REGARDING PRODUCTION OF BOOKS AND RECORDS

21. In addition to many of the physical and electronic Books and Records listed in the Document Production Order, the Receiver has not received access to the Quickbooks Files.
22. From the outset of this proceeding, Jiang has wilfully and deliberately not complied with Orders of this Court.
23. Given the lack of compliance with Orders of this Court, specifically the Document Production Order, and the history of Jiang's unwillingness to satisfy the Receiver's requests for Books and Records, the Receiver asks that this Honourable Court find Jiang in contempt of the Document Production Order.
24. The Receiver cannot discharge its duties as Receiver without the Books and Records and in particular the Urgent Records and Quickbook Files. The failure on the part of Jiang to deliver the Books and Records necessitates the Receiver expending additional time and resources seeking out the information from third parties, thereby increasing the costs of the receivership for all of the Company's stakeholders.

25. The Books and Records are urgently required, especially since:
- (a) it appears that Jiang was attempting to continue to operate aspects of Turuss' business at different locations throughout Ontario;
 - (b) the Receiver understands the CRA may have potential deemed trust claims for unremitted employee source deductions and HST. Without access to the Books and Records, the Receiver and CRA may not be able to accurately assess these potential priority liabilities; and
 - (c) there are various charges due from Bruce Power that relate to lease periods prior to the Appointment Order. The Books and Records are required to accurately reconcile these charges and expenses due pursuant to the Bruce Power Lease.
26. Further, the Books and Records are required to support the Sale Process currently being implemented by the Receiver. Many of the documents and information requested by the Receiver may need to be available to all qualified purchasers for the purposes of conducting due diligence in respect of Turuss and the Chesley Property.
27. Given that Jiang is the sole officer and director of the Company, the Books and Records are, or should be, within her possession and control. The Receiver is of the view that the relief sought is both appropriate and necessary in light of the difficulty it has faced to date in obtaining even the most basic financial information and records in respect of the Company's business and affairs.

EXTENSION OF SALE PROCESS BID DEADLINE

28. In accordance with the Sale Process Order, the Receiver implemented the Sale Process, and in particular, has taken the following steps:
- (a) distribution via email of a brief interest solicitation letter to prospective purchasers.
The distribution list included:
 - (i) prospective purchasers identified by Colliers;

- (ii) prospective purchasers that had previously expressed interest in the Chesley Property;
 - (iii) real estate developers and investors;
 - (iv) representatives from various established real estate brokerages;
 - (v) all MNP LLP partners and senior managers across Ontario and Quebec; and to other parties known to the Receiver that, in the Receiver's opinion, might have an interest in the opportunity.
- (b) advertised the sale opportunity in the *Globe and Mail Newspaper* (National Edition – Real Estate – Commercial Investments section) on November 10th and December 1st and December 3rd of 2020¹. Copies of the advertisements are attached hereto as **Appendix “G”**;
- (c) prepared a Confidential Information Memorandum (“**CIM**”), containing terms of sale, a template form of offer, and a standard form of Agreement of Purchase Sale prepared by the Receiver's counsel, along with instructions for submitting same;
- (d) preparation of a confidentiality and non-disclosure agreement (“**NDA**”) and creation of a secure online data room, populated and updated with information and documentation relating to or in respect of the Chesley Property, accessible by any interested person who signed the NDA; and
- (e) facilitated due diligence efforts by prospective purchasers, including numerous in-person meetings and telephone conversations with prospective purchasers and the conducting tours of the Chesley Property.

29. In early October 2020, Bruce Power advised the Receiver that they wished to lease an additional 31,000 sq. ft. of available office space (the “**Office Space**”) at the Chesley Property. During the negotiation of the fifth lease amendment to the Bruce Power Lease (the “**Fifth Lease Amendment**”), Bruce Power advised that, in addition to the Office

¹ The Sale Process Order only required the Receiver to place an advertisement in the *Globe and Mail* on two occasions, however, the *Globe and Mail* provided a third advertisement at no additional charge to the Receiver, which was placed on December 3rd, 2020.

- Space, that they intended to offer to negotiate a new lease for the entire 340,000 sq. ft. of leasable space at the Chesley Property.
30. On December 4, 2020, the Receiver negotiated a sixth lease amendment with Bruce Power that included providing Bruce Power with an additional 15,700 square feet of leased space as well as an option to December 21, 2020 to lease the entire 340,000 sq. ft.
 31. The Receiver consulted with Colliers International Realty Advisors Inc. (“**Colliers**”) regarding the impact on the market value of Chesley Property if it was fully leased to Bruce Power. Colliers advised that in concluding a lease for the entire space, in its opinion and subject to the customary assumptions and qualifications, the market value of the Chesley Property would increase.
 32. Based on the above and given the foregoing, the Receiver is now in the process of negotiating a new lease for the entirety of the Chesley Property. The Receiver is hopeful complete a new agreement with Bruce Power in the immediate future.
 33. With respect to the Sale Process, the Receiver notified the qualified bidders that have access to the data room that the Receiver was in the process of negotiating an expansion of the lease with Bruce Power Lease and that an extension to the bid deadline may occur prior to the current deadline of January 11, 2021.
 34. Effective December 26, 2020, the Government of Ontario issued an updated COVID-19 lockdown order (the “**December Lockdown Order**”) that prevents prospective purchasers from completing due diligence by way of site tours / visits at the Chesley Property until such lockdown orders are lifted.
 35. The combined impact of a revised lease described above that will result in a market value increase for the Chesley Property and the December Lockdown Order requires that the existing bid deadline be extended to the Amended Deadline. Doing so would allow existing prospective purchasers, and potentially new prospective purchasers, to evaluate the Chesley Property that more accurately reflects its operating metrics and allow for complete on-site due diligence.

PROFESSIONAL FEES AND DISBURSEMENTS

Receiver's Fees and Disbursements

36. The Receiver has issued two invoices covering its fees and disbursements for the period from August 6, 2020 to December 21, 2020 totalling \$145,950.00, exclusive of HST. Attached as **Appendix "H"** is the affidavit of Jerry Henechowicz sworn January 5, 2021 describing the aforementioned fees and disbursements of the Receiver.

Legal Fees and Disbursements

37. Dentons has issued three invoices ("**Dentons Accounts**") covering its fees and disbursements for the period of August 31, 2020 to November 30, 2020 totalling \$129,555.28, exclusive of HST. Attached as **Appendix "I"** is the affidavit of Robert Kennedy sworn January 5, 2021 describing the aforementioned fees and disbursements of Dentons and attaching the Dentons Accounts.
38. It is the Receiver's opinion that the fees and disbursements of Dentons, and the activities described in the dockets in support of the Dentons accounts, as set out in the affidavit of Robert Kennedy are fair and reasonable and justified in the circumstances, and accurately reflect the work done on behalf of the Receiver by Dentons.

RECEIPTS AND DISBURSEMENTS

39. The R&D reports net interim receipts over disbursements, as at December 29, 2020, of \$67,781.70. Attached is a copy of the R&D as **Appendix "J"**.
40. The Receiver respectfully requests that this Honourable Court approve the R&D.


CONCLUSION AND RECOMMENDATION

41. Based on the foregoing and as outlined in this Third Report, the Receiver respectfully requests that this Court issue an Order as per paragraph 8(d), above.

All of which is respectfully submitted this 5th day of January 2021.

**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

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

THIRD REPORT OF THE RECEIVER

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Lawyers for 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 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

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

JANUARY 20, 2021

INTRODUCTION

1. On September 18, 2020, 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**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

2. On October 21, 2020, the Receiver filed its first report to the Court (the “**First Report**”) in support of its motion seeking, *inter alia*, an order authorizing the Receiver to complete a specified sales process (the “**Sale Process**”) for the 340,000 sq. ft. commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”).
3. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report.
4. On November 9, 2020, the Receiver filed its second report to the Court (the “**Second Report**”) to provide the Court with information regarding:
 - (a) the Receiver’s attempts to obtain the Company’s books and records (the “**Books and Records**”) and the Receiver’s communications with the Company’s sole officer and director, Ms. Yang Jiang (“**Jiang**”), generally;
 - (b) the Receiver’s findings regarding Fortune Gate Timber Products Inc., hardwood flooring stores operating as Total Hardwood Flooring (“**Total Hardwood**”), Elite International Forest Ltd., and Vidar Design Flooring, all of which appear to be related to the Company and/or Jiang and appear to be carrying on aspects of the Company’s business (collectively, the “**Flooring Entities**”); and
 - (c) seeking an Order, *inter alia*:
 - (i) directing Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic Books and Records of Turuss and those of the Flooring Entities (including a complete accounting of all activities conducted by Total Hardwood up to and including the date of the Appointment Order);
 - (ii) requiring Jiang to attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company’s relationship to and interests in

the Flooring Entities, both before and following the Appointment Order;
and

(iii) such other matters considered relevant to the Receiver's administration of this proceeding.

5. On November 10, 2020, the Court issued the order sought by the Receiver (the "**Document Production Order**") directing Jiang to, among other things:
 - (a) deliver to the Receiver on or before November 13, 2020, all physical and electronic Books and Records of the Company as well as those related to the Flooring Entities, including a complete accounting of all activities conducted by Total Hardwood; and
 - (b) attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities.

6. On January 5, 2021, the Receiver filed its third report (the "**Third Report**") to the Court to provide the Court with information regarding:
 - (a) the Receiver's activities since the time of the filing of the Second Report;
 - (b) the Receiver's attempts to obtain the Books and Records and Jiang's responses to the Receiver's requests as well as her non-compliance with the Document Production Order, generally;
 - (c) an update on the status of the Sale Process and Bruce Power L.P.'s (the Chesley Property's sole tenant) offer to expand the terms of the existing lease;
 - (d) the Receiver's recommendation to extend the bid deadline set out in the Court approved Sale Process; and
 - (e) the Receiver's recommendation for an Order, among other requests, finding that Jiang is in contempt of the Document Production Order.

7. On January 11, 2021, the Court issued the order sought by the Receiver (the “**Contempt Order**”) which, among other things, found Jiang in contempt of the Document Production Order. Jiang was not present at the motion for the Contempt Order.

PURPOSE

8. The Receiver has prepared this supplement to the Third Report as an update to the Court on the following:
 - (a) the activities of the Receiver and the Receiver’s attempts to contact Jiang since the Contempt Order; and
 - (b) the Receiver’s recommendation for the penalty given to Jiang at the penalty hearing held by the Court on January 21st, 2021 (the “**Penalty Hearing**”).

THE RECEIVER’S ATTEMPTS TO CONTACT JIANG SINCE THE CONTEMPT ORDER

9. Since the Contempt Order, the Receiver and its counsel, Dentons Canada LLP, have undertaken the following activities with respect to Jiang:
 - (a) served Jiang and the e-service list with the Contempt Order and corresponding Endorsement of Justice Gilmore dated January 11, 2021 on January 11, 2021;
 - (b) followed up with Jiang via email regarding the Contempt Order and Penalty Hearing on January 18, 2021, January 19, 2021, and January 20, 2021;
 - (c) circulated the Court’s Zoom meeting details for the Penalty Hearing to the e-service list, which includes Jiang, on January 19, 2021; and

(d) called Jiang on January 20, 2021, with no response.

RECEIVER'S RECOMMENDATION REGARDING PENALTY TO JIANG

10. The Receiver respectfully recommends that the Court order the arrest and imprisonment of Jiang and issue a corresponding warrant of committal. The Receiver requests that the Court order the arrest and imprisonment of Jiang up and until Jiang appears before this Honourable Court to address the finding of contempt as set out in the Contempt Order, and with the Court's assistance, grant further Order(s) to facilitate Jiang's production and immediate delivery of all physical and electronic Books and Records of the Company, as previously required and detailed in the Document Production Order.
11. From the outset of this proceeding, Jiang has wilfully and deliberately failed to comply with Orders of the Court. Jiang did not attend the most recent motion for the Contempt Order on January 11, 2021, therefore creating significant doubt that Jiang will attend future court dates or comply with the Document Production Order voluntarily.
12. The Receiver is of the belief that Jiang's arrest and imprisonment is necessary and in the interests of justice as it will serve to assist and advance the production of the Books and Records of the Company (as well as those related to the Flooring Entities), together with a complete accounting of all activities conducted by Total Hardwood. This, in turn, will significantly help the Receiver discharge its duties under the receivership.
13. The failure on the part of Jiang to comply with the Document Production Order has necessitated the Receiver to expend additional time and resources to seek out the information from third parties, which has increased the costs of the receivership for all of

the Company's stakeholders. In addition, the documents required from Jiang in the Document Production Order are used to support the Sale Process, and thus their immediate production is vital for the Receiver to administer the Sale Process.

All of which is respectfully submitted this 20th day of January, 2021.

**MNP Ltd.,
Solely in its capacity as Court-appointed Receiver
of Turuss (Canada) Industry Co., Ltd.**

Per:

A handwritten signature in blue ink, appearing to read "Jerry Henechowitz", is written over a light blue circular stamp.

Jerry Henechowitz, CIRP, LIT, CPA, CA
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

**SUPPLEMENT TO THE THIRD REPORT OF THE
RECEIVER**

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Lawyers for the Receiver

Appendix “E”
to the Fifth 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 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

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

March 23, 2021

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APPENDICES

- Appendix “A”:** Appointment Order dated September 18, 2020 and corresponding Endorsement dated September 18, 2020
- Appendix “B”:** Receiver’s First Report dated October 21, 2020
- Appendix “C”:** Sale Process Order dated October 29, 2020 and corresponding Endorsement dated October 29, 2020
- Appendix “D”:** Receiver’s Second Report dated November 9, 2020
- Appendix “E”:** Document Production Order dated November 10, 2020 and corresponding Endorsement dated November 10, 2020
- Appendix “F”:** Receiver’s Third Report dated January 5, 2021
- Appendix “G”:** Deadline Extension Order dated January 11, 2021 and corresponding Endorsement dated January 11, 2021
- Appendix “H”:** Receiver’s Supplement to the Third Report dated January 20, 2021
- Appendix “I”:** Penalty Endorsement dated January 21, 2021
- Appendix “J”:** Auction Procedures dated March 23, 2021
- Appendix “K”:** Henechowicz Affidavit sworn March 23, 2021
- Appendix “L”:** Kennedy Affidavit sworn March 23, 2021
- Appendix “M”:** Interim Statement of Receipts and Disbursements as at March 19, 2021

CONFIDENTIAL APPENDIX

- Confidential Appendix “A”:** Lease Expansion, Extending and Amending Agreement dated March 23, 2021

INTRODUCTION

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order and its corresponding endorsement is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep sworn September 4, 2020 (the “**Dizep Affidavit**”), and included in the Application Record, filed in support of the Appointment Order, dated September 4, 2020.
3. The Company is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is the sole officer and director of the Company. Turuss’ remaining Property primarily consists of a commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), with a majority portion of the Chesley Property being leased to Bruce Power L.P. (“**Bruce Power**”).
4. On October 21, 2020, the Receiver filed its first report to the Court (the “**First Report**”) in support of its motion (returnable October 29, 2021) seeking, *inter alia*, an order authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Chesley Property. A copy of the First Report (without appendices) is attached as **Appendix “B”**.
5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report (the “**Sale Process Order**”). A copy of the Sale Process Order and its corresponding endorsement is attached as **Appendix “C”**.
6. On November 9, 2020, the Receiver filed its second report to the Court (the “**Second Report**”), in support of its motion (returnable November 10, 2020) seeking, *inter alia*, an order directing Jiang to deliver the Company’s books and records (the “**Books and**

Records”) to the Receiver. A copy of the Second Report (without appendices) is attached hereto as **Appendix “D”**.

7. Subsequent to the filing of the Second Report, the following orders and endorsements were issued and additional reports filed with the Court, primarily in connection with the delivery of the Books and Records:

(a) the order of Justice Gilmore dated November 10, 2020 (the “**Document Production Order**”) and corresponding endorsement. A copy of the Document Production Order and corresponding endorsement is attached hereto as **Appendix “E”**.

(b) the Receiver’s third report to the Court dated January 5, 2021 (the “**Third Report**”). A copy of the Third Report (without appendices) is attached hereto as **Appendix “F”**;

(c) the order of Justice Gilmore dated January 11, 2021 (the “**Deadline Extension Order**”) and corresponding endorsement. A copy of the Deadline Extension Order and corresponding endorsement is attached hereto as **Appendix “G”**;

(d) the Receiver’s supplement to the third report to the Court dated January 20, 2021 (the “**Supplement to the Third Report**”). A copy of the Supplement to the Third Report is attached hereto as **Appendix “H”**; and

(e) the endorsement of Justice Gilmore dated January 21, 2021 (the “**Penalty Endorsement**”). A copy of the Penalty Endorsement is attached hereto as **Appendix “I”**.

8. With respect to the Sale Process, the Deadline Extension Order approved and authorized:

(a) approved and authorized an extension to the Deadline (as defined herein) from January 11, 2021 to February 26, 2021; and

(b) approved and authorized that subject to any order of the Court, the dates and deadlines contemplated in the Sale Process may be further extended by the Receiver for a total period no greater than four (4) weeks (up to March 26, 2021), in its sole

discretion acting reasonably, all with a view of maximizing the value of the assets and business of Turuss.

9. Information regarding the receivership proceedings has been posted to the Receiver's case website at www.mnpdebt.ca/turuss (the "**Website**").

PURPOSES OF THIS REPORT

10. The purpose of this the Receiver's fourth report (the "**Fourth Report**") is to provide the Court with information regarding:
- (a) the Receiver's activities since the time of the filing of the Supplement to the Third Report;
 - (b) an update on the status of the Sale Process;
 - (c) an update on the negotiations with Bruce Power and its offer to expand the terms of the lease between Turuss and Bruce Power dated November 30, 2018, as amended (the "**Bruce Power Lease**");
 - (d) provide the Court with the Receiver's rationale in support of its request for the approval of an extension to the Deadline and Auction Procedures (as defined herein);
 - (e) the Receiver's recommendation for an order, *inter alia*:
 - (i) abridging the time for service of the Motion Record of the Receiver dated March 23, 2021 and validating service thereof;
 - (ii) authorizing the Receiver to further extend the Deadline from March 26, 2021 (currently) to April 16, 2021;
 - (iii) approving the auction procedures, attached as attached as **Appendix "J"** herein (the "**Auction Procedures**");
 - (iv) approving this Fourth Report and the Receiver's activities as described herein;

- (v) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Fourth Report, the fee Affidavit of Jerry Henechowicz sworn March 23, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn March 23, 2021 (the “**Kennedy Affidavit**”);
- (vi) approving a sealing order for the Lease Expansion Agreement (as defined herein);
- (vii) approving the Receiver’s interim statement of receipts and disbursements as at March 19, 2021 (the “**R&D**”); and
- (viii) such other matters considered relevant to the Receiver’s administration of this proceeding.

TERMS OF REFERENCE

11. In preparing this Fourth Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets which includes, but not limited to, the following information (collectively the “**Information**”):
 - (a) as provided by Jiang, which includes the Books and Records;
 - (b) as provided by Pillar Capital Corp. and its legal counsel, Gowling WLG (Canada) LLP;
 - (c) obtained in discussions with Prospective Offerors, various parties that were prospective purchasers of the Chesley Property prior to the Appointment Order, and creditors and stakeholders generally;
 - (d) obtained by attending at the Chesley Property;
 - (e) as provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
 - (f) obtained in discussions with Bruce Power;

- (g) as provided by Colliers International Realty Advisors Inc. (“**Colliers**”) in respect of its review and appraisal of the Chesley Property; and
 - (h) as otherwise available to the Receiver and its counsel.
12. Except as described in this Fourth 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.
13. All currency references are in Canadian Dollars unless otherwise specified.
14. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process.

ACTIVITIES TO DATE

15. The following are the Receiver’s activities since filing the Supplement to the Third Report:
- (a) updating the Website, as necessary;
 - (b) coordinating the delivery of the Books and Records from Jiang;
 - (c) coordinating and confirming a new insurance policy for the Chesley Property from the insurance broker, from Mitchell & Abbott Group;
 - (d) continuing the implementation of the Sale Process;
 - (e) collecting rents and other amounts due from Bruce Power and paying the operating expenses of the Chesley Property;
 - (f) attending to various discussions with Prospective Offerors and responding to all due diligence inquiries as well as conducting inspections of the Chesley Property;
 - (g) updating Prospective Offerors via data room notices regarding the Sale Process and matters relating to the Lease Expansion Agreement;
 - (h) preparing all necessary annual employee filings for the Company’s former employees and others retained by the Receiver;

- (i) attending to numerous discussions and meetings with Bruce Power regarding the Lease Expansion Agreement;
- (j) reviewing the loan and security documentation in connection with the second position charge registered against title to the Chesley Property;
- (k) amending and updating the service list; and
- (l) preparing this Fourth Report.

Lease Expansion Agreement

16. As set out in the Third Report, the Receiver was negotiating an expansion to the Bruce Power Lease which, among other things, proposed to expand the leasable area from approximately 156,000 sq. ft. to the fully available 349,000 sq. ft. of the main industrial building located on the Chesley Property. The Receiver consulted with Colliers regarding the impact on the market value of Chesley Property if it was fully leased to Bruce Power. Colliers advised that in concluding a lease for the entire space, in its opinion and subject to the customary assumptions and qualifications, the market value of the Chesley Property would increase.
17. The Receiver sought the Deadline Extension Order to, among other things, facilitate the required timeframe to negotiate a potential amendment to the Bruce Power Lease. At that time, the Receiver notified the Prospective Offerors of the negotiations between the Receiver and Bruce Power and the initial extension to the Deadline.
18. Just prior to February 26, 2021, the Receiver extended the Deadline to March 19, 2021, as the Receiver was still negotiating the terms of a lease amendment with Bruce Power. The Deadline was further extended by the Receiver to March 26, 2021 to allow additional time to finalize a lease amendment with Bruce Power.
19. The Receiver and Bruce Power have now concluded a Lease Expansion, Extending and Amending agreement dated March 23, 2021 (the “**Lease Expansion Agreement**”). The Lease Expansion Agreement, among other things, increases the leased space to approximately 349,000 sq. ft. to effectively encompass the entire industrial facility located

on the Chesley Property, including a small building on the opposite side of the street to the main industrial building. In addition, approximately 5 acres of vacant land not utilized is being removed from Bruce Power's occupancy. A copy of the Lease Expansion Agreement is being filed by the Receiver as **Confidential Appendix "A"**, subject to the request for a sealing order.

20. The Receiver has now made the Lease Expansion Agreement available in the Sale Process data room for Prospective Offerors to review and assess as part of the due diligence process.

PROPOSED DEADLINE EXTENSION AND AUCTION PROCEDURES

Update on the Sale Process

21. In response to the Receiver's implementation of the Sales Process, to-date fifty-eight (58) Prospective Offerors executed an NDA with the Receiver and utilized the online dataroom. Twelve (12) of these parties have conducted on site due diligence tours of the Chesley Property and had discussions with the Receiver regarding the Sale Process timeline and additional due diligence requirements.

Deadline Extension

22. As noted in the Receiver's prior reports, the extensions were required in order to address prior Ontario government COVID-19 lockdown orders, and concurrently allow a period of time for the Receiver to negotiate the Lease Expansion Agreement.
23. The Receiver is recommending and requesting a further extension to the Deadline from March 26, 2021 to April 16, 2021 in order to allow Prospective Offerors a sufficient period to time to evaluate the Chesley Property and the new operating metrics resulting from the completion of the Lease Expansion Agreement. Prospective Offerors have also advised the Receiver that, in order to complete their due diligence, they require additional time to review the details of the Lease Expansion Agreement. The Receiver further notes that the COVID-19 lockdown orders have relaxed such that site visits and other diligence requests can be facilitated by the Receiver, if requested.

24. The Receiver is of the view that the proposed extension is reasonable and appropriate in the circumstances.

Auction Procedures

25. The Receiver is also recommending that the Court approve the Auction Procedures, which shall supplement the Sale Process to incorporate and authorize the Receiver to conduct an auction (the “**Auction**”) if it receives one or more Qualified Offers for the Chesley Property.
26. A summary of the Auction Procedures provide for the following key components:
- (a) The Receiver and its advisors shall direct and preside over the Auction;
 - (b) The Auction will be held via Zoom video conference at 10:00 a.m. (Eastern Time) on a date that is determined by the Receiver, provided that that is not later than ten business days after the Deadline, or such other place and time as the Receiver may advise;
 - (c) Only a selected offeror is eligible to participate in the Auction (a “**Selected Offeror**”). The Receiver shall provide all Selected Offerors with the amount of the bid that the Receiver believes constitutes the highest and/or best bid (“**Lead Bid**”) by 5:00pm (Eastern Time) two (2) business days before the date scheduled for the Auction. Each Selected Offeror must inform the Receiver whether it intends to participate in the Auction, and only the authorized representatives of each of the Selected Offerors, the Receiver, Turuss and their respective counsel and other advisors shall be permitted to attend the Auction;
 - (d) Bidding at the Auction shall be conducted in rounds and include an opening bid (“**Opening Bid**”), with the terms of the Opening Bid provided to all participating Selected Offerors at the Auction. The Lead Bid shall constitute the Opening Bid for the first round and the highest and/or best Overbid (as defined herein) at the end of each round shall constitute the Opening Bid for the following round. Any Selected Offeror who bids in a round (including the Selected Offeror that submitted the

Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction;

- (e) The determination of which bid from a Selected Offeror constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the bid, including, among other things, the following:
 - (i) the amount and nature of the consideration;
 - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
 - (iii) the Receiver's assessment of the certainty of the Selected Offeror to close the proposed transaction;
 - (iv) the likelihood, extent and impact of any potential delays in closing;
 - (v) the net economic effect of any changes from the Opening Bid of the previous round; and
 - (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively referred to as the "**Bid Assessment Criteria**");
- (f) Any bid made after the Opening Bid shall be considered an "**Overbid**". Any Overbid shall be made in minimum increments of \$100,000 above the Opening Bid, or such increments as the Receiver may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**", pluralized as "**Minimum Overbid Increments**"). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment, plus any additional Minimum Overbid Increments. An Overbid must comply with certain requirements, as discussed in the Auction Procedures, and a Selected Offeror may submit no more than one (1) Overbid per round;

- (g) At the end of each round of bidding, the Receiver shall announce the identity of the Selected Offerors and the material terms of the then highest and/or best Overbid. If at the end of any round of bidding a Selected Offeror (other than the Selected Offeror that submitted the Opening Bid) fails to submit an Overbid, then such Selected Offeror shall not be entitled to continue to participate in the next round of the Auction;
- (h) The Receiver reserves the right to make one or more adjournments in the Auction. The Receiver may adopt new rules or modify existing rules for the Auction at or prior to the Auction that will better promote the goals of the Auction;
- (i) During the Auction, the Auction Procedures provide for certain Overbid-related disclosure to Selected Offerors that are participating in the Auction;
- (j) The Auction shall be closed after the Receiver has: (A) reviewed the final Overbid of each Selected Offeror on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (B) identified the Successful Offer and the Back-Up Bid (as defined in the Auction Procedures) and advised the Selected Offerors participating in the Auction of such determination. Promptly following a bid of a Selected Offeror being declared the Successful Offer or the Back-Up Bid (as defined in the Auction Procedures), relevant documentation will be finalized.
- (k) After the selection of the Successful Offer, the Receiver shall bring an Approval Motion for an order, substantially in the form of the approval and vesting order (the “**Approval and Vesting Order**”) attached to the APS, authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the transaction and vesting in and to the Successful Offeror Turuss’ interest in the Chesley Property. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer. The transaction shall be completed within five (5) days after Court approval.

27. Given the level of interest in the Chesley Property, the Receiver anticipates receiving multiple bids on or prior to the Deadline. The Receiver believes that the Auction (if necessary) will provide a fair, transparent and efficient mechanism to select a transaction that produces the best result for all stakeholders, in the circumstances.

APPROVAL OF SEALING ORDER

28. The information contained in the Lease Expansion Agreement contains confidential information and will only be reviewed by those entities with access to the confidential data room as part of the Sale Process, namely, the Prospective Offerors. Providing a sealing order aligns with the Sale Process, and is fair and reasonable in the circumstances.

APPROVAL OF FEES AND DISBURSEMENTS

Receiver's Fees and Disbursements

29. The Receiver has issued one invoices covering its fees and disbursements for the period from December 23, 2020 to February 28, 2021 totaling \$ 68,757.45, comprising fees of \$60,426.10, disbursements of \$421.20 and applicable HST of \$7,910.15. Attached as **Appendix "K"** is the Henechowicz Affidavit describing the aforementioned fees and disbursements of the Receiver. The Receiver requests that the Court approve the Receiver's fees and disbursements given that they are reasonable and justified in the circumstances.

Legal Fees and Disbursements

30. Dentons has issued three invoices ("**Dentons Accounts**") covering its fees and disbursements for the period of December 31, 2020 to February 28, 2021 totaling \$224,149.78, inclusive of HST. Attached as **Appendix "L"** is the Kennedy Affidavit describing the aforementioned fees and disbursements of Dentons and attaching the Dentons Accounts.
31. It is the Receiver's opinion that the fees and disbursements of Dentons, and the activities described in the dockets in support of the Dentons accounts, as set out in the Kennedy Affidavit are reasonable and justified in the circumstances, and accurately reflect the work

done on behalf of the Receiver by Dentons. The Receiver requests that the Court approve the fees and disbursements of Dentons.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

32. Attached hereto as **Appendix "M"** is the Receiver's R&D. The R&D reflects net receipts over disbursements of \$66,860.64. The Receiver requests that the Court approve the Receiver's R&D.

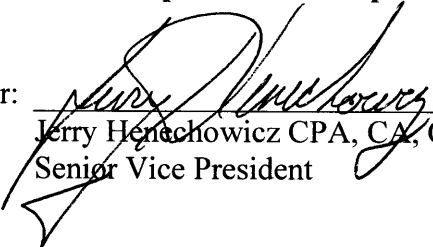
CONCLUSION AND RECOMMENDATION

33. Based on the foregoing and as outlined in this Fourth Report, the Receiver respectfully requests that this Court issue an order as per paragraph 10(e), above.

All of which is respectfully submitted this 23rd day of March 2021.

**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 Henschowicz 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

FOURTH REPORT OF THE RECEIVER

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Lawyers for the Receiver

Appendix “F”
to the Fifth Report of the Receiver

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

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

THE HONOURABLE
JUSTICE CAVANAGH

)
)
)

THURSDAY, THE 29th
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 Amanda Campbell sworn October 22, 2020 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.

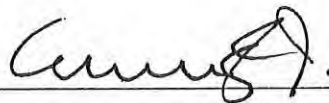
4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

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).

- 3 -

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.



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

OCT 30 2020

PER / PAR:



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.

- 2 -

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 (hereinafter referred to as 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 8 above, the Receiver shall have the right to deny or limit any Prospective Offeror's access to confidential information at any time, which may include denying access to confidential information, if in the Receiver's reasonably held view such Prospective Offeror is 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

- 3 -

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 Deadline
10	Court motion to approve Successful Offer(s)	Following selection of Successful Offer(s)
11	Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021

- 4 -

13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver for a total period no greater than (3) weeks, 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 materials 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) a binding offer capable of acceptance and irrevocable 15 days after the Deadline;
 - (d) 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;
 - (e) an agreement in the form of the APS, with any changes contained in the Binding Offer blacklined against the Receiver's form of APS;
 - (f) includes an acknowledgement and representation that the Prospective Offeror: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, (ii) 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;
 - (g) no conditions based 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 Prospective Offeror.

- 5 -

15. Each offer submitted in accordance with paragraph 14 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 Binding 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 Turuss interest in the Property to the Successful Offeror(s).
26. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer 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. 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

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Lawyers for the Receiver

Loberto, Daniel

From: Cavanagh, Justice Peter (SCJ) <Peter.Cavanagh@scj-csj.ca>
Sent: Thursday, October 29, 2020 3:56 PM
To: Kennedy, Robert; Loberto, Daniel
Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List
Subject: Pillar Capital Corp. v. Turuss (Canada) Industry Co., Ltd. (CV-20-00646729-00CL)
Attachments: Counsel Slip - Pillar v. Turuss - October 29 2020.docx; CV-20-00646729-00CL_Pillar Capital v. Turess.pdf

Endorsement:

Order to go as asked. The signed order is attached. Mr. Loberto is asked to send the endorsement and order to other parties.

Cavanagh, J.

Appendix “G”
to the Fifth Report of the Receiver

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

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

THE HONOURABLE

)

MONDAY, THE 11th

JUSTICE GILMORE

)

DAY OF JANUARY, 2021

)

BETWEEN:



PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPLICATION UNDER SUBSECTION 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

ORDER

THIS MOTION, made by MNP Ltd., in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (the “**Debtor**”), for an order:

- (a) abridging the time for service of the Notice of Motion dated January 5, 2021 (the “**Notice of Motion**”), Motion Record of the Receiver dated January 5, 2021 (the “**Motion Record**”), Factum of the Receiver and corresponding Brief of Authorities dated January 7, 2021 (the “**Factum**”), and the Third Report of the Receiver dated January 5, 2020 (the “**Third Report**”), and validating service, so

that this Motion is properly returnable today, and dispensing with further service thereof;

- (b) finding Yang Jiang (“**Jiang**”) in contempt of the Order of the Honourable Justice Gilmore, dated November 10, 2020 (the “**Document Production Order**”);
- (c) approving and authorizing an extension to the offer deadline set forth in the Order of the Honourable Justice Cavanagh dated October 29, 2020 (the “**Sale Process Order**”), from January 11, 2021 to February 26, 2021;
- (d) approving and authorizing that subject to any Order of this Honourable Court, the dates and deadlines contemplated in the Sale Process (as defined herein) may be further extended by the Receiver for a total period no greater than four (4) weeks, in its sole discretion acting reasonably, all with a view of maximizing the value of the assets and business of the Debtor;
- (e) approving the Third Report and the activities of the Receiver as set out therein;
- (f) approving the Receiver’s interim statement of receipts and disbursements dated December 29, 2020 (the “**R&D Statement**”);
- (g) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Third Report, fee affidavit of Jerry Henechowicz dated January 5, 2021 and the fee affidavit of Robert Kennedy dated January 5, 2021 (collectively, the “**Fee Affidavits**”); and
- (h) such other relief as the Receiver may request and this Honourable Court may deem just;

was heard this day by judicial videoconference via Zoom due to the COVID-19 pandemic.

ON READING the Motion Record, the Third Report, including the Fee Affidavits, and on hearing the submissions of counsel for the Receiver, and any such other counsel as were

present, no other parties appearing although validly served as evidenced by the Affidavit of Amanda Campbell, sworn January 6, 2021 filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record, Factum, and Third Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

JIANG CONTEMPT

2. **THIS COURT ORDERS AND DECLARES** that Jiang is in contempt of the Document Production Order.

3. **THIS COURT ORDERS AND DIRECTS** Jiang to pay the Receiver's costs of the within motion in the amount of \$2,500.

4. **THIS COURT ORDERS** that a hearing has been scheduled on January 21, 2021 at 11:30am (30 minutes) for the purposes of determining the penalty for the within contempt finding.

RECEIVER'S ACTIVITIES

5. **THIS COURT ORDERS** that the Third Report, together with the activities and conduct of the Receiver reported therein, be and are hereby approved.

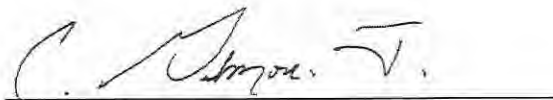
6. **THIS COURT ORDERS** that the R&D Statement is hereby approved.

7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Third Report and the Fee Affidavits, are hereby approved.

SALE PROCESS EXTENSION

8. **THIS COURT ORDERS** that the Deadline, as defined and contemplated in the sale process (the "Sale Process") approved by the Sale Process Order, be extended from January 11, 2021 to February 26, 2021.

9. **THIS COURT ORDERS** that, subject to any Order of this Honourable Court, the dates and deadlines contemplated in the Sale Process may be further extended by the Receiver for a total period no greater than four (4) weeks, in its sole discretion acting reasonably, all with a view of maximizing the value of the assets and business of the Debtor.



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

JAN 12 2021

PER / PAR:



PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

DENTONS CANADA LLP

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Lawyers for the Receiver

Campbell, Amanda

From: Gilmore, Madam Justice Cory (SCJ) <Cory.Gilmore@scj-csj.ca>

Sent: Monday, January 11, 2021 1:40 PM

To: Loberto, Daniel <daniel.loberto@dentons.com>; Kennedy, Robert <robert.kennedy@dentons.com>; 'thomas.gertner@gowlingwlg.com' <thomas.gertner@gowlingwlg.com>; 'jerry.henechowicz@mdp.ca' <jerry.henechowicz@mdp.ca>; 'michael.litwack@mdp.ca' <michael.litwack@mdp.ca>; Diane.Winters@justice.gc.ca; Crawford, Leslie A. (MOF) <Leslie.Crawford@ontario.ca>; yzhang@askitlaw.com; oren.chaimovitch@devrylaw.ca; Ruzbeh Hosseini <rhosseini@cambridgellp.com>

Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>

Subject: Pillar Capital Corp. v. Turuss (Canada) Industry Co. - Court File No. CV-20-00646729-00CL

Counsel: See my endorsement below:

Endorsement of Gilmore, J.

This was the Receiver's motion for various relief including a contempt finding against Yang Yiang with respect to my Order of November 10, 2020, approving an extension of the offer deadline in the Order of Justice Cavanaugh dated

October 29, 2020, approving the Third Report of the Receiver and approving the fees and disbursements of the Receiver and its legal counsel.

Ms. Yiang did not attend today's motion despite being properly served. She attended in person, and without counsel, on November 10, 2020 and agreed to produce the books and records requested by the Receiver. Ms. Yiang met with the Receiver's counsel by Zoom on November 13, 2020 and later provided some of the documents requested. Shortly thereafter, she informed counsel that her back was bothering her and could not provide the remaining documents. Nothing has been heard from Ms. Yiang since despite follow up attempts.

I find that Ms. Yiang has deliberately failed to comply with my Order requiring her to produce all books and records by November 13, 2020. Further, the disclosure provided was insufficient to permit the Receiver to schedule the examination set out in the November 10, 2020 Order. The result is that the Receiver is unable to complete all of its work under the Appointment Order.

It is clear that Ms. Yiang received a copy of my Order, understood it and made some attempt to comply with it but then stopped communicating with the Receiver's counsel. I find that Ms. Yiang is in contempt of my November 10, 2020 Order. She will have an opportunity to purge her contempt between now and the return date of this matter on **January 21, 2021 at 11:30 a.m. for 30 minutes**. If Ms. Yiang does not purge her contempt by January 21, 2021 I will entertain submissions with respect to penalties related to my contempt finding.

The balance of the relief sought by the Receiver is not opposed.

The attached signed Order is in effect immediately.

A copy of this endorsement is to be provided to Ms. Yiang by email forthwith.

January 11, 2021



Madam Justice Cory A. Gilmore
Ontario Superior Court of Justice
361 University Avenue
4th Floor
Toronto, Ontario
M5G 1T3

cory.gilmore@scj-csj.ca

Appendix “H” to the Fifth Report of the Receiver

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

THE HONOURABLE)	FRIDAY, THE 26th
)	
JUSTICE HAINEY)	DAY OF MARCH, 2021

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

**APPROVAL ORDER
(Auction Procedures)**

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) Industry Co., Ltd. (“**Turuss**”) for an order:

- (a) abridging the time for service of the Motion Record of the Receiver dated March 23, 2021 (the “**Motion Record**”) and validating service thereof;
- (b) authorizing the Receiver to extend the offer deadline (the “**Deadline**”) contemplated and set forth in the sale process (the “**Sale Process**”) approved by the order of Justice Cavanagh dated October 29, 2020 from March 26, 2021 to April 16, 2021;
- (c) approving the auction procedures, as set out in Schedule “A” hereto (the “**Auction Procedures**”);

- (d) approving a sealing order for the lease expansion, extending and amending agreement between Turuss and Bruce Power L.P., contained in the **Confidential Appendix “A”** to the Fourth Report;
- (e) approving the fourth report of the Receiver dated March 23, 2021 to the Court (the **“Fourth Report”**), and the activities of the Receiver as described therein;
- (f) approving the Receiver’s interim statement of receipts and disbursements dated March 19, 2021 (the **“R&D Statement”**);
- (g) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (**“Dentons”**), as set out in the Fourth Report, fee affidavit of Jerry Henechowicz sworn March 23, 2021 (**“Henechowicz Affidavit”**) and the fee affidavit of Robert Kennedy sworn March 23, 2021 (**“Kennedy Affidavit”**), and together with the Henechowicz Affidavit, the **“Fee Affidavits”**);
- (h) such other matters considered relevant to the Receiver’s administration of this proceeding.

was heard this day judicial videoconference via Zoom due to the COVID-19 pandemic.

ON READING the Motion Record, 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 Amanda Campbell sworn March 23, 2021, filed:

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEADLINE EXTENSION

3. **THIS COURT ORDERS** that the Deadline be and is hereby extended from March 26, 2021 to April 16, 2021.

AUCTION PROCEDURES

4. **THIS COURT ORDERS** that the Auction Procedures be and is hereby approved and shall supplement the Sale Process. The Receiver is hereby authorized to implement the Auction Procedures, in its discretion. In the event that there is any conflict between any provision contained in the Sale Process and the Auction Procedures, the terms of the Auction Procedures shall prevail and govern.

SEALING ORDER

5. **THIS COURT ORDERS** that **Confidential Appendix "A"** to the Fourth Report shall be sealed and kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title to these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

RECEIVER'S ACTIVITIES

6. **THIS COURT ORDERS** that the Fourth Report, and the activities of the Receiver as described therein, is hereby approved.

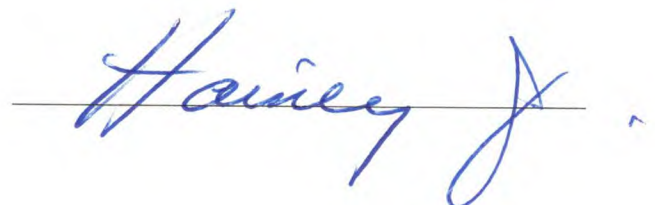
7. **THIS COURT ORDERS** that the R&D Statement is hereby approved.

FEES AND DISBURSEMENTS

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Fourth Report and the Fee Affidavits, are hereby approved.

GENERAL

9. **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" – Auction Procedures

AUCTION PROCEDURES
(March 23, 2021)

The Receiver may determine to conduct an auction (the “**Auction**”) if it receives one or more Qualified Offers for the commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”) as part of the sale process (the “**Sale Process**”) approved by the Order of Justice Cavanagh dated October 29, 2020. The Receiver will notify the Selected Offerors that the Auction will be held via Zoom Video Conference at 10:00 a.m. (Eastern Time) on a date that is determined by the Receiver, provided that that is not later than ten (10) business days after the Deadline, or such other place and time as the Receiver may advise.

Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Process.

The Auction shall be conducted in accordance with the following procedures:

1. Participation At The Auction. Only a Selected Offeror is eligible to participate in the Auction. The Receiver shall provide all Selected Offerors with the amount of the bid that the Receiver believes constitutes the highest and/or best bid received on or before the Deadline (“**Lead Bid**”) by 5:00 p.m. (Eastern Time) two (2) business days before the date scheduled for the Auction. Each Selected Offeror must inform the Receiver whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Selected Offerors, the Receiver, Turuss and their respective counsel and other advisors shall be permitted to attend the Auction.
2. Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. Bidding at the Auction shall include an opening bid (“**Opening Bid**”). The Lead Bid shall constitute the Opening Bid for the first round and the highest and/or best Overbid (as defined herein) at the end of each round shall constitute the Opening Bid for the following round. In each round, a Selected Offeror may submit no more than one Overbid. Any Selected Offeror who bids in a round (including the Selected Offeror that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
3. Receiver Shall Conduct The Auction. The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Selected Offerors at the Auction. The determination of which bid from a Selected Offeror constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the bid including, among other things, the following:
 - a. (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Receiver’s assessment of the certainty of the Selected Offeror to close the proposed transaction; (iv) the likelihood, extent and impact of any potential delays in closing;

(v) the net economic effect of any changes from the Opening Bid of the previous round, and (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively referred to as the “**Bid Assessment Criteria**”).

All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and/or best Overbid shall be fully disclosed to all other Selected Offerors that are participating in the Auction and have bid in a corresponding Auction round. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

4. Terms of Overbids. An “**Overbid**” (pluralized as “**Overbids**”) is any bid made at the Auction subsequent to the Receiver’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Selected Offeror must comply with the following conditions:
- a. *Minimum Overbid Increment:* Any Overbid shall be made in minimum increments of \$100,000 above the Opening Bid, or such increments as the Receiver may determine in order to facilitate the Auction (the “**Minimum Overbid Increment**”, pluralized as “**Minimum Overbid Increments**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment, plus any additional Minimum Overbid Increments (if applicable).
 - b. *The Bid Requirements apply:* Except as modified herein, an Overbid must comply with the requirements outlined at paragraph 14 of the Sale Process (the “**Bid Requirements**”) provided, however, that the Deadline shall not apply and that any Overbid made by a Selected Offeror remains irrevocable and binding on the Selected Offeror and open for acceptance as the next highest and/or best bid, as determined by the Receiver (the “**Back-up Bid**”) until the closing of the bid accepted by the Receiver (the “**Successful Offer**”, and the Selected Offeror providing the Successful Offer as the “**Successful Offeror**”). In addition, the Overbid must include a provision stating that any mortgage being assumed in lieu of cash is being done with the prior written consent of the relevant mortgagee (a copy of which consent shall be provided with the bid).
 - c. *Announcing Overbids:* At the end of each round of bidding, the Receiver shall announce the identity of the Selected Offerors and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets proposed to be acquired and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - d. *Consideration of Overbids:* The Receiver reserves the right to make one or more adjournments in the Auction to, among other things:

- i. allow individual Selected Offerors to consider how they wish to proceed during a bidding round;
 - ii. consider and determine the current highest and/or best Overbid at any given time during the Auction; and,
 - iii. give Selected Offerors the opportunity to provide the Receiver with such additional evidence as it may require that the Selected Offerors has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Selected Offeror, and the Receiver may allow a Selected Offeror to make technical clarifying changes to its Overbid following such discussions as between them.
 - e. *Failure to Bid*: If at the end of any round of bidding a Selected Offeror (other than the Selected Offeror that submitted the Opening Bid), fails to submit an Overbid, then such Selected Offeror shall not be entitled to continue to participate in the next round of the Auction.
5. Additional Procedures. The Receiver may adopt new rules or modify existing rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding provided that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Selected Offerors.
 6. Closing the Auction. The Auction shall be closed after the Receiver has: (i) reviewed the final Overbid of each Selected Offeror on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (ii) identified the Successful Offer and the Back-Up Bid and advised the Selected Offerors participating in the Auction of such determination.
 7. Finalizing Documentation. Promptly following a bid of a Selected Offeror being declared the Successful Offer or the Back-Up Bid, the Selected Offeror shall provide the Receiver with such further deposit monies (as necessary), and shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Offer or Back-Up Bid.

8. Completion of Transaction. Following the selection of the Successful Offer, the Receiver shall bring an Approval Motion for an order, substantially in the form of the approval and vesting order (the “**Approval and Vesting Order**”) attached to the APS, authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer and transaction, and vest in and to the Successful Offeror the Turuss interest in the Chesley Property. Following the granting of any Approval and Vesting Order by the court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer. The transaction shall be completed within five (5) business days following the granting of the Approval and Vesting Order.

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL ORDER
(Auction Procedures)**

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Lawyers for the Receiver

PILLAR CAPITAL CORP

v.

TURUSS (CANADA) INDUSTRY CO. LTD

⑩ This Motion is granted on the terms of the attached approval order re the Auction's procedures.

Hairley J.

March 26, 2021

Appendix “I”
to the Fifth Report of the Receiver

ASSET PURCHASE AGREEMENT**BETWEEN**

**MNP LTD., solely in its capacity as court
appointed receiver and manager of TURUSS (CANADA) INDUSTRY CO., LTD., and not
in its personal capacity**

AND**WESTMOUNT PARK INVESTMENTS INC.****MADE AS OF****April 13, 2021**

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of April 13, 2021

BETWEEN

WESTMOUNT PARK INVESTMENTS INC., a corporation
incorporated under the laws of Ontario (the “**Purchaser**”),

- and -

MNP LTD., solely in its capacity as court appointed receiver
and manager of **TURUSS (CANADA) INDUSTRY CO., LTD.**,
and not in its personal capacity

WHEREAS on September 18, 2020, the Court granted an Order (the “**Receivership Order**”) appointing MNP Ltd. (the “**Receiver**”) as receiver and manager of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”).

AND WHEREAS pursuant to the Receivership Order, the Receiver was authorized to market and sell the assets, undertakings and properties of Turuss.

AND WHEREAS on October 29, 2020, the Court granted an Order (the “**Sale Process Order**”), providing for, among other things, a process under which offers would be solicited for the sale of all, substantially all or one or more components of Turuss’s assets and business;

AND WHEREAS on January 11, 2021, the Receiver obtained an Order amending the bid deadline (the “**Deadline**”);

AND WHEREAS on March 26, 2021, the Receiver obtained an Order further amending the Deadline to April 16, 2021, and approving the Auction Procedures (the “**March Order**”);

AND WHEREAS subject to the Court granting the Stalking Horse Bidding Procedure Order (as defined herein) and authorizing the Receiver to conduct the sale process with respect to the Purchased Assets (as defined herein) in accordance with the Stalking Horse Bidding Procedure, the Purchaser has agreed: (i) to act as a “stalking horse bidder”; and (ii) to purchase the Purchased Assets on the terms and conditions contained in this Agreement in the absence of a superior bid being accepted by the Receiver pursuant to the Stalking Horse Bidding Procedure;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 **Definitions**

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliates**” means, with respect to any Person, any other Person that controls or is controlled by or is under common control with the referent Person.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Applicable Law**” means:

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and
- (ii) any applicable and enforceable rule, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“**Approval and Vesting Order**” means an order of the Court substantially in the form attached hereto as **Exhibit A**: (i) approving the sale of the Purchased Assets by the Receiver to the Purchaser pursuant to the terms of this Agreement, (ii) authorizing and directing the Receiver to complete the Transaction to convey to the Purchaser the Purchased Assets, and (iii) providing for the vesting of the right, title, benefit and interest of Turuss in and to the Purchased Assets in and to the Purchaser, free and clear of all Liens, other than the Permitted Encumbrances.

“**Assigned Contracts**” means those Contracts and Permits set out in **Exhibit B**.

“**Assignment and Assumption Agreement**” means an agreement pursuant to which the Receiver will assign the Assigned Contracts to the Purchaser and the Purchaser will assume the Assumed Liabilities at the Time of Closing, substantially in the form of the document set out in **Exhibit C**.

“**Assumed Liabilities**” has the meaning set out in Section 2.08.

“**Auction Procedures**” has the meaning set out in the March Order.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended.

“**Books and Records**” means all personnel records, inspection records, financial records, and other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, relating to the business and the Purchased Assets as are in the possession or under the control of Turuss.

“**Bruce Power Lease**” means the lease agreement between Turuss and Bruce Power dated November 30, 2018, as amended by Amendment #1 effective March 31, 2019, Amendment #2

effective December 1, 2019, Amendment #3 effective May 11, 2020, Amendment #4 effective June 12, 2020, Amendment #5 effective October 1, 2020, Amendment #6 effective December 4, 2020, and Amendment #7 effective March 23, 2021.

“**Bruce Power**” means Bruce Power L.P.

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“**Claim**” means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any loss, claim or demand relating thereto or resulting therefrom, or any other claim or demand of whatever nature or kind.

“**Closing Date**” means five (5) Business Days following the date of the Approval and Vesting, or such other date as may be agreed in writing between the parties hereto, but in any case, not later than May 31, 2021.

“**Contract**” means any contract, agreement, license, instrument or commitment recognized at law or equity, whether express or implied, or arising by a course of conduct or usage of trade to which Turuss is a party and which relate to the Purchased Assets.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Cure Costs**” means the amount of all monetary defaults, if any, existing in respect of any Assigned Contracts that are required to be paid in order to obtain the consent necessary to permit the assignment under 2.09(2).

“**Deposit**” has the meaning set out in Section 2.10(1)(a).

“**Environmental Law**” means any Applicable Law relating to the natural or indoor environment including those pertaining to (i) reporting, licensing, permitting, investigating, remediating or controlling the presence or Release or threatened Release of Hazardous Substances, or (ii) the use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including, for greater certainty, any such Applicable Law pertaining to occupational health and safety.

“**Excluded Assets**” has the meaning set out in Section 2.02.

“**Excluded Contracts**” means any Contracts or Permits that are not assignable as contemplated in Section 2.09(4), and any other Contracts or Permits that are not Assigned Contracts.

“**Governmental Authority**” means any domestic or foreign legislative, executive, judicial or administrative body or Person having jurisdiction in the relevant circumstances.

“**Hazardous Substance**” means any substance, material or emission whose storage, handling, use, transportation or Release is prohibited, controlled or regulated by any Governmental Authority having jurisdiction pursuant to Environmental Laws, including any contaminant or pollutant as defined in the *Environmental Protection Act* (Ontario).

“Intellectual Property” means intellectual property of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, confidential information, software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations and chemistries, processes and processing methods, technology and techniques and know-how.

“Lands” means the lands and premises located at 60 Industrial Park Road, Chesley, Ontario as legally described in Schedule D to the Approval and Vesting Order, including all rights and benefits appurtenant thereto.

“Liabilities” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any Contract or undertaking or otherwise, including any tax liability or tort liability of Turuss.

“Liens” means any lien (statutory or otherwise), mortgage, pledge, security interest (whether contractual, statutory or otherwise), hypothecation, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, encumbrance, interest in property, or other financial or monetary Claim which, in each case, in substance, secures payment or performance of an obligation, or similar charge of any kind.

“Non-Disclosure Agreement” means the non-disclosure agreement dated December 8, 2020 between the Purchaser and the Receiver.

“Outside Date” has the meaning set out in Section 5.04(b).

“Permits” means all permits, licences, certificates, approvals, authorizations, and registrations, or any item with a similar effect, issued or granted by any Governmental Authority.

“Permitted Encumbrances” means only those Liens and other registrations or encumbrances related to the Purchased Assets set forth on **Exhibit D**.

“Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“Personal Information” means information about an identifiable individual, but does not include the name, title or business address or telephone number of an employee of an organization.

“Proceeds” has the meaning set out in Section 7.07(1)(b)(i).

“Purchase Price” has the meaning set out in Section 2.03.

“Purchased Assets” has the meaning set out in Section 2.01.

“**Qualified Bidder**” has the meaning set out in the Stalking Horse Bidding Procedure.

“**Release**” means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

“**Receiver**” has the meaning set out in the recitals hereto.

“**Receiver’s Certificate**” means a certificate signed by the Receiver substantially in the form attached as **Schedule A** to the Approval and Vesting Order confirming that: (i) the Purchaser has paid, and the Receiver has received payment of, the Purchase Price in relation to the purchase by the Purchaser of the Purchased Assets, and (ii) the conditions to be complied with at or prior to the Time of Closing as set out in Sections 5.01 and 5.02, respectively, have been satisfied or waived by the Receiver or the Purchaser, as applicable, pursuant to Section 5.03.

“**Receivership Order**” has the meaning set out in the recitals hereto.

“**Sale Process**” means the sale process approved by the Sale Process Order.

“**Sale Process Order**” has the meaning set out in the recitals hereto.

“**Stalking Horse Bid**” has the meaning set out in Section 6.01.

“**Stalking Horse Bidding Procedure**” has the meaning set out in Section 6.01(b)

“**Stalking Horse Procedure Order**” has the meaning set out in Section 6.01.

“**Successful Offer**” has the meaning set out in the Sale Process.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Time of Closing**” means 10:00 a.m. (Toronto Time) on the Closing Date.

“**Transfer Taxes**” has the meaning set out in Section 2.07.

“**Transaction**” means the transaction of the purchase and sale of the Purchased Assets as contemplated by this Agreement.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Exhibits are to Articles and Sections of and Exhibits to this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing Persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any Person other than the Receiver and the Purchaser.

1.04 **Capacity of Receiver**

The Receiver, in executing this Agreement, is entering into this Agreement solely in its capacity as the Court appointed receiver and manager of Turuss, and not in its personal or any other capacity. The Receiver shall have no personal or corporate liability of any kind whether in contract, tort or otherwise.

1.05 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.06 **Currency**

All references to currency herein are to lawful money of Canada.

1.07 **Exhibits**

The following are the Exhibits to this Agreement:

Exhibit A - Form of Approval and Vesting Order

Exhibit B - Assigned Contracts and Permits

Exhibit C - Form of Assignment and Assumption Agreement

Exhibit D - Permitted Encumbrances

Exhibit E - Other Excluded Assets

Exhibit F - Allocation of Purchase Price

Exhibit G - Stalking Horse Bidding Procedure

ARTICLE 2 - SALE AND PURCHASE

2.01 **Assets to be Sold and Purchased**

Upon and subject to the terms and conditions hereof, the Receiver will sell to the Purchaser and the Purchaser will purchase from the Receiver, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of Turuss in and to the following assets (collectively, the “**Purchased Assets**”):

- (a) the Lands;
- (b) all structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Lands other than the fixed machinery, equipment or tenant trade fixtures that belong to Bruce Power;
- (c) subject to Sections 2.08 and 2.09(4), and to the extent not otherwise included in this Section 2.01, the Assigned Contracts;
- (d) all Intellectual Property owned by Turuss that was used in connection with the Purchased Assets;
- (e) all pre-paid expenses and deposits relating to the Purchased Assets (other than deposits paid to suppliers or customers of Turuss) including all pre-paid taxes, local improvement rates and charges, water rates and other operating costs, all pre-paid purchases of gas, oil and hydro, and all pre-paid lease payments and lease deposits; and
- (f) the Books and Records;

but excluding, for greater certainty, in each and every case the Excluded Assets (as hereinafter defined).

2.02 **Excluded Assets**

Notwithstanding Section 2.01 or any other provision in this Agreement to the contrary, Turuss will retain its right, title, benefit and interest in and to, and the Purchaser will have no rights with respect to the right, title, benefit and interest of Turuss in and to the following assets (collectively, the “**Excluded Assets**”):

- (a) the cash and cash equivalents, short-term investments, bank account balances, bank deposits, deposits including any deposits posted in respect of letters of credit, and petty cash of Turuss;
- (b) all rights of Turuss to tax refunds, credits, rebates or similar benefits relating to the Purchased Assets for the period prior to the Closing Date;
- (c) the Excluded Contracts;
- (d) shares and other interests or capital of Turuss;
- (e) the tax records and insurance policies of Turuss;
- (f) any Claim of Turuss to reimbursement under any insurance policy applicable to Turuss for the period prior to the Closing Date;
- (g) Books and Records not pertaining primarily to the Purchased Assets;

- (h) All funds or deposits held by suppliers, customers or any other Person in trust for or on behalf of Turuss (if any);
- (i) any other assets listed in **Exhibit E**.

2.03 **Purchase Price**

The aggregate purchase price payable by the Purchaser to the Receiver for the Purchased Assets excluding all applicable Taxes (such amount being hereinafter referred to as the “**Purchase Price**”) is an amount equal to a sum of the following:

- (a) six Million Five Hundred Thousand (\$6,500,000) dollars for the Purchased Assets;
- (b) plus or minus as of the Closing Date on account of the sale of the Lands including for any real property taxes and local improvement rates and charges (including interest thereon) in accordance with Section 2.06, utilities, pre-paid lease payments, lease deposits, and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a Court-approved sale under the BIA. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination. Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, taxes, costs or other adjustments in any way relating to the period prior to the Closing Date, or relating to the Excluded Assets or to any matters or assets other than the Purchased Assets for the period from and after the Closing Date;
- (c) plus the amount of the Assumed Liabilities, if any; and,
- (d) other than as provided for in this Section 2.03, there shall be no adjustments to the Purchase Price.

2.04 **Allocation of Purchase Price**

The Purchase Price will be allocated among the Purchased Assets as set out in **Exhibit F**. The Receiver and Purchaser will make and file all tax returns and filings on a basis which is consistent with the amount and allocation of the Purchase Price.

2.05 **Elections**

The Receiver and the Purchaser will on or before the Time of Closing jointly execute an election (if applicable), in the prescribed form and containing the prescribed information, to have

subsection 167(1.1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Purchased Assets hereunder so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser will file such election with the Minister of National Revenue within the time prescribed by the *Excise Tax Act* (Canada).

2.06 Property Taxes

(1) All property taxes imposed on or with respect to the Purchased Assets for the tax year that includes the Closing Date will be prorated between the Receiver and the Purchaser as of the Closing Date. Turuss will be liable for the portion of such taxes based on the number of days in the year occurring prior to the Closing Date, and the Purchaser will be liable for the portion of such taxes based on the number of days in the year occurring on and after the Closing Date. This includes all municipal realty taxes, assessments, levies and penalties of any nature or kind, and interest and costs thereon, including all levies and special charges set forth in the respective tax bills of any government taxation authority.

(2) The Purchaser shall, at its option, be entitled to continue any realty tax appeals, complaints, applications, or proceedings pending for any calendar year prior to the calendar year in which the Closing Date occurs and shall be entitled to receive from the municipality any payment resulting therefrom. To the extent the Receiver receives any of the aforementioned payments, it shall hold said payments in trust for the Purchaser and forthwith remit the payments to the Purchaser.

2.07 Transfer Taxes

(1) The Purchaser will be liable for and, subject to Section 2.05, will pay, or will cause to be paid, all transfer, land transfer, value added, *ad-valorem*, excise, sales, use, consumption, goods or services, harmonized sales, retail sales, social services, or other similar taxes or duties (collectively, "**Transfer Taxes**") payable under any Applicable Law on or with respect to the sale and purchase of the Purchased Assets under this Agreement. The Purchaser will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense.

(2) The Purchaser shall indemnify and save harmless the Receiver and its employees, advisors and agents from all Claims incurred, suffered or sustained as a result of a failure by the Purchaser:

- (a) to pay any Transfer Taxes payable by the Purchaser; and/or
- (b) to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Purchased Assets.

2.08 Assumption of Liabilities

(1) At the Time of Closing, the Purchaser will assume and thereafter fulfil, perform and discharge when due the following Liabilities of Turuss outstanding as at the Closing Date (collectively, the “**Assumed Liabilities**”)

- (i) all Liabilities arising from or in connection with the Assigned Contracts, including any Cure Costs;
- (c) all Liabilities arising from or in connection with any tax, levy, penalty, interest or costs for which the Purchaser is responsible pursuant to Sections 2.06 and 2.07 and any Permitted Encumbrances; and
- (d) all Liabilities relating to or arising from the Purchased Assets under Environmental Laws.

(2) In addition to any other provision for indemnification by the Purchaser contained in this Agreement, the Purchaser will, on and after the Closing Date, indemnify and save harmless the Receiver on its own behalf and as trustee for its Affiliates and its and their current and former directors and officers, employees, agents, advisors and representatives (including the Receiver) (collectively, the “**Indemnitees**”) from and against all Claims asserted against any of the Indemnitees in any way directly or indirectly arising from, relating to or in connection with any of the Assumed Liabilities.

2.09 Assigned Contracts

(1) Subject to Section 2.09(2), the Purchaser, with the Receiver’s consent, will request any consents necessary to permit the assignment to the Purchaser of the Assigned Contracts. The Receiver will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including providing financial and other information of Turuss requested by the Purchaser or party to such Assigned Contract.

(2) The Purchaser will be responsible for all Cure Costs in respect of any Assigned Contracts.

(3) The Purchaser shall assume the Bruce Power Lease.

(4) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts or Permits for which any requisite consent or approval has not been obtained or which as a matter of Applicable Law or by its terms is not assignable.

2.10 Payment of Purchase Price

(1) The Purchase Price will be satisfied by the Purchaser as follows:

- (a) an amount equal to 10% of the Purchase Price forthwith, by wire transfer of immediately available funds to an account specified by the Receiver, in

trust, as a deposit to be held in a bank account at a Canadian chartered bank and paid as provided in Section 2.10(2) (the “**Deposit**”);

- (b) the balance of the Purchase Price, subject to adjustments, if any, to the Purchase Price pursuant to Section 2.06 and payment in full by wire transfer or certified cheque on the Closing Date to the Receiver or as it may in writing direct; and
- (c) by the Purchaser assuming the Assumed Liabilities.

(2) The Deposit paid to the Receiver by the Purchaser pursuant to Section 2.10(1)(a) will be paid by the Receiver as follows:

- (a) to the Receiver at the Time of Closing, with any interest that has been paid by the applicable bank thereon being paid to the Purchaser, in each case net of any applicable bank fees or charges, if the sale and purchase of the Purchased Assets provided for herein is completed in accordance with the terms and conditions hereof;
- (b) to the Receiver on or after the fifth Business Day after the date of termination of this Agreement, together with any interest that has been paid by the applicable bank thereon (net of any applicable bank fees or charges), if this Agreement is terminated by the Receiver pursuant to Section 5.04(a), Section 5.04(c) (unless with respect to a condition in Section 5.02(c) or (d)), or Section 5.04(f) (where the Purchaser has failed to comply with its obligations under this Agreement); or
- (c) to the Purchaser on or after the fifth Business Day after the date of termination of this Agreement, together with any interest that has been paid by the applicable bank thereon (net of any applicable bank fees or charges), if this Agreement is terminated by the Purchaser pursuant to Section 5.04(a) or Section 5.04(b), or by the Receiver pursuant to Section 5.04(c) (solely with respect to a condition in Section 5.02(c) or (d)) or Section 5.04(f) (unless the Purchaser has failed to comply with its obligations under this Agreement),

provided that if the sale and purchase of the Purchased Assets provided for herein is not completed in accordance with the terms and conditions hereof and, prior to 10:00 a.m. on the fifth Business Day referred to in Section 2.10(2)(b) or (c), as the case may be, written notice is given by either the Receiver or the Purchaser to the other counterparty that such party in good faith disputes that the other is entitled to receive the Deposit and/or any accrued interest thereon, then such Deposit and all accrued interest thereon may, at the option of the Receiver, be paid into Court as soon as reasonably possible (net of any applicable bank fees or charges), and further provided that the Receiver shall be entitled to seek the direction of the Court at any time in respect of any matter relating to the Deposit, including the payment thereof to any Person.

2.11 **Delivery of Purchased Assets**

At the Time of Closing, the Purchaser will take possession of the Purchased Assets where situated. The Purchaser acknowledges that the Receiver has no obligation to deliver possession of the Purchased Assets to the Purchaser at any location other than where situated.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.01 **Receiver's Representations and Warranties**

The Receiver represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, the Receiver has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (b) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, this Agreement constitutes a valid and legally binding obligation of the Receiver, enforceable against the Receiver in accordance with its terms;
- (c) Turuss is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 83679 5716 RT0002; and
- (d) Turuss is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

3.02 **Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Receiver that:

- (a) the Purchaser is a corporation duly incorporated, organized and existing under the laws of Ontario;
- (b) the Purchaser has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein and the entering into of this Agreement in completion of the transactions contemplated herein will not breach its constating documents, any agreement binding on the Purchaser, or Applicable Laws relating to the Purchaser;

- (e) there are no orders of or proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (f) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement;
- (g) except for the Approval and Vesting Order, no consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement;
- (h) the Purchaser has sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Assets on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement;
- (i) the Purchaser is or will be a registrant under Part IX of the *Excise Tax Act* (Canada) on the Closing Date; and
- (j) the Purchaser is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

3.03 "As Is, Where Is"

(1) The Purchaser acknowledges and agrees that it is purchasing the Purchased Assets on an "*as is, where is*" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets (including a review of title), Assumed Liabilities, Assumed Contracts and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at the Time of Closing in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 3.01, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the *United Nations Convention on Contracts for the International Sale of Goods*), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given including as to title, outstanding Liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its

own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities and Assumed Contracts pursuant to this Agreement.

(3) The description of the Purchased Assets, Assumed Liabilities and Assumed Contracts contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by Turuss. Except as otherwise explicitly set forth in Section 3.01, no representation, warranty or condition has been given by the Receiver concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of Turuss or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Receiver.

(4) Any documents, materials and information provided by or on behalf of the Receiver to the Purchaser with respect to the Purchased Assets, Assumed Liabilities and Assumed Contracts (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Receiver has not made and is not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Receiver and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

ARTICLE 4 - COVENANTS

4.01 Covenants of the Receiver

(1) The Receiver will ensure that the representations and warranties of the Receiver set out in Section 3.01 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Purchaser set out in Section 5.01 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

(2) The Receiver shall file with the Court, as soon as practicable after its execution and delivery of this Agreement, a motion seeking the Court's issuance of the Approval and Vesting Order.

4.02 Covenants of the Purchaser

(1) The Purchaser will ensure that the representations and warranties of the Purchaser set out in Section 3.02 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the

Receiver set out in Section 5.02 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

(2) The Purchaser will provide the Receiver with all information within its possession or control that the Receiver may reasonably request to assist the Receiver in obtaining the Approval and Vesting Order.

(3) The Purchaser shall make the necessary arrangements to replace any letters of credit or other security deposits posted or received by Turuss, the Receiver, or any other Person on their behalf, on or prior to Closing.

(4) The Purchaser will comply with the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar Applicable Laws relating to privacy and the protection of Personal Information in respect of the Books and Records, Contracts and any other business and financial records related to the Purchased Assets.

ARTICLE 5 - CONDITIONS AND TERMINATION

5.01 Conditions for the Benefit of the Purchaser

The sale by the Receiver and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Receiver set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Receiver will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Receiver at or prior to the Time of Closing;
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the sale and purchase of the Purchased Assets;
- (d) the Stalking Horse Procedure Order and the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied in any material respect, set aside or appealed (or any such appeal shall have been dismissed with no further appeal therefrom); and
- (e) this Agreement shall be the Successful Offer.

5.02 Conditions for the Benefit of the Receiver

The sale by the Receiver and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Receiver and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing;
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the purchase and sale of the Purchased Assets;
- (d) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied in any material respect, set aside or appealed (or any such appeal shall have been dismissed with no further appeal therefrom);
- (e) the Purchaser will have paid or will have made arrangements, satisfactory to the Receiver, to pay all Cure Costs pursuant to Section 2.09(2); and,
- (f) this Agreement shall be the Successful Offer.

5.03 **Waiver of Condition**

The Purchaser, in the case of a condition set out in Section 5.01, and the Receiver, in the case of a condition set out in Section 5.02 (other than Section 5.02(d)), will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon without prejudice to any of its rights in the event of non-performance of or non-compliance with any other condition in whole or in part. Any such waiver will not constitute a waiver of any other conditions in favour of the waiving party. Such waiving party will retain the right to complete the purchase and sale of the Purchased Assets herein contemplated.

5.04 **Termination**

This Agreement may be terminated, by notice given prior to or on the Closing Date:

- (a) by the Receiver or the Purchaser if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by the other party and such breach has not been waived or cured within five days following the date on which the non-breaching party notifies the other party of such breach;
- (b) by the Purchaser if a condition in Section 5.01 becomes impossible to satisfy prior to June 30, 2021 or such later date as the parties may determine (the “**Outside Date**”) (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived such condition;

- (c) by the Receiver if a condition in Section 5.02 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Receiver to comply with its obligations under this Agreement) and the Receiver has not waived such condition;
- (d) by the Receiver pursuant to Section 7.07(1)(a);
- (e) by written agreement of the Purchaser and the Receiver;
- (f) by the Receiver or the Purchaser if the completion of the sale of Purchased Assets herein contemplated has not occurred (other than through the failure of the party seeking termination to comply with its obligations under this Agreement) on or before the Outside Date.

5.05 **Effect of Termination**

Each party's right of termination under Section 5.04 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 5.04, all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 2.10(2), 7.04, 9.03 and 9.04 will survive; provided, however, that if this Agreement is terminated by a party because of a material breach of a representation or warranty, covenant, obligation or other provision of this Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

ARTICLE 6 - STALKING HORSE BIDDING PROCEDURES

6.01 **Stalking Horse Bidding Procedures**

- (a) The Receiver and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to Court approval.
- (b) The Receiver and the Purchaser acknowledge and agree that the Receiver shall apply to the Court by no later than April 14, 2021, or such other date as they may agree, for an order (the "**Stalking Horse Procedure Order**"), *inter alia*, recognizing this Agreement, and in particular the Purchase Price, as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**") and approving the Stalking Horse Bidding Procedures, attached as **Exhibit G** (the "**Stalking Horse Bidding Procedures**"), the payment of the break fee and expense reimbursement in the circumstances set out in Section 6.02, and the parties will use commercially reasonable efforts to have the Stalking Horse Procedures Order issued. The Purchaser acknowledges and agrees that the Stalking Horse Bidding Procedures are in contemplation of determining whether a superior bid can be obtained for the Purchased Assets.

6.02 **Break Fee and Expense Reimbursement**

In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to: (i) a break fee in the amount of \$100,000 (plus HST, if applicable); and (ii) an expense reimbursement amount not to exceed \$75,000 (plus HST), in each case payable by the Receiver to the Purchaser only in the event that a Successful Offer other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and such transaction completed. The payment of the foregoing amounts shall be approved in the Stalking Horse Bidding Procedure Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the Successful Offer. The Parties acknowledge and agree that the foregoing amounts represent a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of non-completion of this Agreement and the completion of a separate Successful Offer, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets.

ARTICLE 7 - CLOSING ARRANGEMENTS

7.01 **Closing**

The sale and purchase of the Purchased Assets will be completed at the Time of Closing at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto-Dominion Centre, Toronto, Ontario M5K 0A1.

7.02 **Receiver's Closing Deliveries**

On or before the Time of Closing, the Receiver will deliver or cause to be delivered to the Purchaser the following:

- (a) a certificate from the Receiver, dated as of the Closing Date, certifying:
 - (i) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction; and
 - (ii) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Time of Closing, with the same effect as though made on and as of the Time of Closing;
- (b) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 5.02 hereof have been fulfilled, performed or waived as of the Time of Closing;
- (c) a copy of the issued and entered Approval and Vesting Order;

- (d) if available, the tax election as contemplated by Section 2.05 executed by the Receiver;
- (e) a bill of sale, duly executed by the Receiver, if necessary;
- (f) a statement of adjustments prepared in accordance with Section 2.03 hereof, to be delivered not less than five (5) Business Days prior to the Closing Date;
- (g) if applicable, the Assignment and Assumption Agreement executed by the Receiver with respect to Assigned Contracts;
- (h) a written request from the Receiver to Bruce Power, for the delivery of an estoppel certificate in favour of the Purchaser, certifying that the Bruce Power Lease is unmodified and in full force and effect (or, if modified, stating the modifications and that the same is in full force and effect as modified), the amount of the annual rental then being paid thereunder, the dates to which the same by instalments or otherwise and other charges hereunder have been paid, and whether or not there is any existing default on the part of Turuss of which Bruce Power has notice;
- (i) a notice to Bruce Power advising of the sale of the Lands and directing that all rents payable pursuant to the Bruce Power Lease after the Closing Date be paid to the Purchaser or as the Purchaser directs; and
- (j) such other documents or instruments as contemplated or required to be delivered pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

7.03 **Purchaser's Closing Deliveries**

On or before the Time of Closing, the Purchaser will deliver or cause to be delivered to the Receiver the following:

- (a) payment of the Purchase Price to the Receiver as contemplated by Section 2.10(1).
- (b) evidence, satisfactory to the Receiver, of the payment of or arrangements to pay all Cure Costs as contemplated by Section 2.09(2).
- (c) a certificate executed by a senior officer of the Purchaser confirming that the representations and warranties of the Purchaser in this Agreement are true and correct in all material respects as of the Time of Closing and that the obligations of the Purchaser to be performed prior to the Time of Closing have been performed in all material respects;
- (d) if available, the tax election as contemplated by Section 2.05 executed by the Purchaser;

- (e) if applicable, the Assignment and Assumption Agreement executed by the Purchaser with respect to Assigned Contracts;
- (f) if required, a land transfer tax affidavit; and
- (g) such other documents or instruments as contemplated or required to be delivered pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

7.04 **Confidentiality**

Subject to the terms of the Non-Disclosure Agreement, both prior to the Closing Date and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning Turuss or the operations obtained by the Purchaser pursuant hereto, and will hold all such information in the strictest confidence and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to Turuss or to the operations which the Purchaser obtained pursuant to this Agreement.

7.05 **Delivery of Receiver's Certificate**

When the Receiver is satisfied that all conditions hereunder have been satisfied or waived, and all documents to be delivered under the terms hereof have been delivered at or before the Time of Closing, the Receiver will deliver an executed copy of the Receiver's Certificate to the Purchaser's counsel in escrow upon the sole condition of receipt by the Receiver of the amounts referred to in Section 2.10(1). All of the foregoing amounts will then be paid by the Purchaser, by wire transfer of immediately available funds to an account designated in writing by the Receiver for this purpose pursuant to Section 2.10(1) hereof. Following written confirmation of receipt by the Receiver of such funds (or such Person directed by the Receiver to receive such funds), the Receiver's Certificate will be released from escrow to the Purchaser. Upon such delivery, the closing will be deemed to have occurred at the Time of Closing. The Receiver will file a copy of the Receiver's Certificate with the Court on the next Business Day following the Closing Date and provide evidence of such filing to the Purchaser.

7.06 **Planning Act**

This Agreement is subject to compliance with the *Planning Act* (Ontario). The parties agree that compliance with the *Planning Act* (Ontario) shall be the responsibility of the Purchaser at its costs. The Receiver agrees to execute all documents reasonably requested by the Purchaser in respect thereof.

7.07 **Risk of Loss**

(1) Until the Time of Closing, the Purchased Assets will remain at the risk of the Receiver. If any destruction or damage in excess of \$1 million occurs to the Purchased Assets on or before the Time of Closing or if any or all of the Purchased Assets are appropriated,

expropriated or seized by governmental or other lawful authority on or before the Time of Closing:

- (a) the Receiver will forthwith give notice thereof to the Purchaser, and the Receiver shall have the right to terminate this Agreement prior to the Time of Closing and shall notify the Purchaser in a reasonable period of time whether it is exercising this right; and
- (b) in the event the Receiver does not exercise its right of termination under Section 7.07(1)(a), the Purchaser will have the option, exercisable by notice to the Receiver on or before the Time of Closing:
 - (i) to reduce the Purchase Price by an amount equal to the proceeds of insurance (and, if any such policy provided for a deductible amount, by an amount equal to such deductible amount) or compensation for destruction or damage or appropriation, expropriation or seizure and business interruption with respect thereto (in this Section 7.07 referred to as the “**Proceeds**”), and to complete the purchase; or
 - (ii) to complete the purchase without reduction of the Purchase Price, in which event all Proceeds will be payable to the Purchaser and all Claims of the Receiver to any such amounts not paid by the Closing Date will be assigned to the Purchaser.

(2) If the Purchaser elects to reduce the Purchase Price pursuant to Section 7.07(1)(b)(i), the Receiver will at the Time of Closing determine the amount of the reduction to the extent that it is then determinable and will undertake to adjust such amount after the Closing Date, if necessary.

ARTICLE 8 - SURVIVAL

8.01 Survival

No covenants, representations and warranties of each party contained in this Agreement will survive the completion of the sale and purchase of the Purchased Assets and assumption of the Assumed Liabilities hereunder, except for the covenants that by their terms are to be satisfied or survive after the Time of Closing (including without limitation Sections 2.07, 2.10(2), 9.03, 9.04, and 9.16), which covenants will continue in full force and effect in accordance with their terms.

ARTICLE 9 - GENERAL

9.01 Further Assurances

Each of the Receiver and the Purchaser will from time to time at the request and expense of the other execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.02 **Time of the Essence**

Time is of the essence of this Agreement.

9.03 **Fees, Commissions and other Costs and Expenses**

Each of the Receiver and the Purchaser will pay its respective legal and accounting costs and expenses and any real estate or other commissions incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

9.04 **Public Announcements**

Except as required by Applicable Law, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Receiver or the Purchaser without the prior consent and joint approval of the Receiver and the Purchaser.

9.05 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

9.06 **Entire Agreement**

This Agreement (including the agreements contemplated hereby) and the Non-Disclosure Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement (including the agreements contemplated hereby) or in the Non-Disclosure Agreement.

9.07 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

9.08 **Assignment**

This Agreement may not be assigned by the Receiver or the Purchaser without the written consent of the other provided that the Purchaser may assign this Agreement without the consent of the Receiver to an Affiliate of the Purchaser provided that: (i) such Affiliate enters into a written agreement with the Receiver to be bound by the provisions of this Agreement in all

respects and to the same extent as the Purchaser is bound, (ii) that the Purchaser will continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so, and (iii) such assignment occur prior to the issuance of the Approval and Vesting Order.

9.09 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Receiver:

MNP Ltd.
300-111 Richmond Street West
Toronto, Ontario
M5H 2G4

Attention: Jerry Henechowicz, Senior Vice President

E-mail: Jerry.Henechowicz@mnp.ca

Fax: 416.596.7894

with a copy to:

Dentons Canada LLP
77 King Street West Suite 400,
Toronto, Ontario
M5K 0A1

Attention: Robert Kennedy

E-mail: robert.kennedy@dentons.com

Fax: 416.863.4760

To the Purchaser:

c/o Dickinson Wright LLP
199 Bay Street, Suite 2200
Toronto, Ontario, M5L 1G4

Attention: David Preger
Fax No.: 1-844-670-6009
Email: dpreger@dickinsonwright.com

Attention: James McKeon
Fax No.: 1-844-670-6009
Email: jmckeon@dickinsonwright.com

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

9.10 **Remedies Cumulative**

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

9.11 **No Third Party Beneficiaries**

This Agreement is solely for the benefit of:

- (a) the Receiver, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and
- (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Receiver under this Agreement,

and this Agreement will not be deemed to confer upon or give to any other Person any Claim or other right or remedy.

9.12 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

9.13 Attornment

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The Receiver and the Purchaser each attorns to the jurisdiction of the courts of the Province of Ontario.

9.14 Appointment of Agent for Service

The Purchaser nominates, constitutes and appoints Dickinson Wright LLP, barristers and solicitors, of the City of Toronto its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 9.09). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Ontario has been given to and accepted by the Receiver, service of process or of papers and such notices upon Dickinson Wright LLP will be accepted by the Purchaser as sufficient service.

9.15 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect.

9.16 No Registration of Agreement

The Purchaser agrees that it will not register or cause or permit to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Lands and/or any part thereof. The Purchaser shall indemnify and save the Receiver harmless from and against any and all Claims whatsoever arising from or with respect to any such registration. This Section shall survive the expiration and/or termination of this Agreement for any reason.

9.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.


9.18 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[The balance of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

WESTMOUNT PARK INVESTMENTS INC.

Per: 
Name: Romeo Di Battista Jr.
Title: President and CEO

I have authority to bind the Corporation.

**MNP LTD., solely in its capacity as receiver
and manager of TURUSS (CANADA)
INDUSTRY CO., LTD., and not in any other
capacity**

Per: _____

Per: _____



IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

WESTMOUNT PARK INVESTMENTS INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

**MNP LTD., solely in its capacity as receiver
and manager of TURUSS (CANADA)
INDUSTRY CO., LTD., and not in any other
capacity**

Per:

[Handwritten Signature]

L. Terry Hecelkowitz
Senior Vice President A.S.O.

Per: _____

EXHIBIT A**Form of Approval and Vesting Order**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE JUSTICE) DAY, THE [__] DAY OF
) _____, 2021
)

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

and

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd., in its capacity as court appointed receiver and manager (the “**Receiver**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Asset Purchase Agreement**”) between the Receiver and ● (the “**Purchaser**”) dated ●, 2021, and vesting in the Purchaser Turuss (Canada) Industry Co., Ltd.’s (“**Turuss**”) right, title, benefit and interest in and to the assets described in the Asset Purchase Agreement (the “**Purchased Assets**”), was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the Affidavit of ● sworn ●, 2021 and the ● Report of the Receiver dated ●, 2021 (the “**● Report**”), and on hearing the submissions of counsel for the Receiver, the

Applicant, and the Purchaser, 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 • sworn •, 2021 filed:

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of Turuss's right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated September 18, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule B** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a transfer/deed of land or equivalent document, or of an application for registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter the Purchaser as the owner of the subject real property in fee simple, and is hereby directed to delete and expunge from title to the real property all of the Claims listed in **Schedule B** hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Turuss's records pertaining to Turuss's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Turuss.

7. **THIS COURT ORDERS** that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Turuss and shall not be void or

voidable by creditors of Turuss, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of section 6(3) of the *Retail Sales Act* (Ontario).

9. **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.

[SEALING]

10. **THIS COURT ORDERS** that the **Confidential Appendix to the • Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.**

Schedule A – Form of Receiver’s Certificate

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

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

THE HONOURABLE JUSTICE) DAY, THE [__] DAY OF
) [__], 2021
)

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

and

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (the “**Court**”) dated September 18, 2020, MNP Ltd. was appointed as receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”).

B. Pursuant to an Order of the Court dated ●, 2021, the Court approved the agreement of purchase and sale made as of ●, 2021 (the “**Asset Purchase Agreement**”) between the Receiver and ● (the “**Purchaser**”) and provided for the vesting in the Purchaser of Turuss’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming:

(i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

**MNP LTD. solely in its capacity as receiver
and manager of TURUSS (CANADA)
INDUSTRY CO., LTD., and not in any other
capacity**

Per: _____
Name:
Title:

Schedule B – Claims to be deleted and expunged from title to Real Property**PIN: 33183-0177 (LT)**

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
BR61680	2012/01/20	TRANSFER		DURHAM FURNITURE INC.	GRS INVESTMENT INC.
BR84564	2014/03/27	APPLICATION CHANGE NAME OWNER		GRS INVESTMENT INC.	TURUSS (CANADA) INDUSTRY CO., LTD
BR84954	2014/04/10	APPLICATION CHANGE NAME OWNER		TURUSS (CANADA) INDUSTRY CO., LTD	TURUSS (CANADA) INDUSTRY CO., LTD.
BR137134	2018/10/23	CHARGE	\$3,950,000	TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137135	2018/10/23	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137680	2018/11/06	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR153825	2020/03/13	CHARGE	\$550,000	TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG
BR153826	2020/03/13	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG

PIN: 33183-0178 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
BR61680	2012/01/20	TRANSFER		DURHAM FURNITURE INC.	GRS INVESTMENT INC.
BR84564	2014/03/27	APPLICATION CHANGE NAME OWNER		GRS INVESTMENT INC.	TURUSS (CANADA) INDUSTRY CO., LTD
BR84954	2014/04/10	APPLICATION CHANGE NAME OWNER		TURUSS (CANADA) INDUSTRY CO., LTD	TURUSS (CANADA) INDUSTRY CO., LTD.

BR137134	2018/10/23	CHARGE	\$3,950,000	TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137135	2018/10/23	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137680	2018/11/06	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR153825	2020/03/13	CHARGE	\$550,000	TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG
BR153826	2020/03/13	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

PIN: 33183-0177 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R7194	2000/05/03	PLAN REFERENCE		
3R7328	2001/01/19	PLAN REFERENCE		
3R7734	2003/04/25	PLAN REFERENCE		

PIN: 33183-0178 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R1656	1976/11/25	PLAN REFERENCE		
3R4763	1989/10/02	PLAN REFERENCE		
3R5253	1991/01/29	PLAN REFERENCE		
R278375	1991/07/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
R324241	1997/01/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
3R6870	1998/06/30	PLAN REFERENCE		
3R7025	1999/03/29	PLAN REFERENCE		
3R7194	2000/05/03	PLAN REFERENCE		
R353124	2000/11/06	TRANSFER EASEMENT		MUNICIPALITY OF ARRAN-ELDERSLIE
R356491	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION
R356492	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES

				COMMISSION
R356525	2001/05/15	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
R358129	2001/07/20	AGREEMENT RIGHT OF WAY		THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358130	2001/07/20	AGREEMENT	810793 ONTARIO LIMITED	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358270	2001/07/27	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
3R7734	2003/04/25	PLAN REFERENCE		
3R7740	2003/05/05	PLAN REFERENCE		
R380920	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
R380921	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
BR23403	2008/12/13	LAND REGISTRAR'S ORDER		

Schedule D – Description of Lands

PIN	Legal Description
331830178	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
331830177	PT PARKLT T, U PL 217 PT 6 ,7 3R7734 MUNICIPALITY OF ARRAN-ELDERSLIE

EXHIBIT B**ASSIGNED CONTRACTS AND PERMITS**

1. Bruce Power Lease – Lease made amongst Turuss (Canada) Industry and Bruce Power L.P. dated November 30, 2018, as amended by Amendment #1 effective March 31, 2019, Amendment #2 effective December 1, 2019, Amendment #3 effective May 11, 2020, Amendment #4 effective June 12, 2020, Amendment #5 effective October 1, 2020, Amendment #6 effective December 4, 2020, and Amendment #7 effective March 23, 2021;
2. Loaned Equipment Agreement dated November 20, 2020 made amongst the Receiver and McDougall Energy;
3. Master Coverage Enhanced Agreement dated January 28, 2021 made amongst the Receiver and Thyssenkrupp Elevator (Canada) Limited;
4. Stumpf Fire Protection Limited 2020 Annual Inspection Report;

EXHIBIT C**FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT****ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS AGREEMENT is made as of ●, 2021

BETWEEN

●, a corporation incorporated under the laws of ● (the
“Purchaser”),

- and -

**MNP LTD., solely in its capacity as court appointed receiver
and manager of TURUSS (CANADA) INDUSTRY CO., LTD.
and not in its personal capacity**

WHEREAS the parties hereto have entered into an asset purchase agreement dated as of ●, 20__ (the “**Asset Purchase Agreement**”), pursuant to which MNP Ltd., solely in its capacity as court appointed receiver and manager of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) and not its personal capacity (the “**Receiver**”), has agreed to assign all of Turuss’s right, title, benefit and interest in and to the Assigned Contracts to the Purchaser, and the Purchaser has agreed to assume, perform and indemnify and hold harmless the Receiver and Turuss from the Assumed Liabilities, upon the terms and conditions set forth therein;

AND WHEREAS pursuant to Sections 7.02[(●)] and 7.03[(●)] of the Asset Purchase Agreement, the Purchaser and the Receiver are required to enter into and deliver this Agreement at the Time of Closing;

NOW THEREFORE in conjunction with and in consideration of the completion of the transactions to be effected at the Time of Closing as contemplated by the Asset Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receiver and the Purchaser agree as follows:

ARTICLE 1 - INTERPRETATION**1.01 Definitions**

Unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Asset Purchase Agreement.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to, this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing Persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.

ARTICLE 2 – ASSIGNMENT AND ASSUMPTION

2.01 **Assignment by the Purchaser**

Upon and subject to the terms of the Asset Purchase Agreement, effective at the Time of Closing, the Receiver hereby assigns and transfers to the Purchaser all of Turuss’s right, title, benefit and interest under or in respect of the Assigned Contracts.

2.02 **Assumption by the Purchaser**

Upon and subject to the terms of the Asset Purchase Agreement, effective at the Time of Closing, the Purchaser hereby assumes and agrees to fulfill, perform and discharge the Assumed Liabilities.

2.03 **Release by the Purchaser**

The Purchaser hereby: (i) unconditionally and irrevocably fully releases and discharges the Receiver and Turuss from any Claim which the Purchaser may now or hereafter have against the Receiver or Turuss by reason of any matter or thing arising out of, or resulting from, any of the Assumed Liabilities, and (ii) agrees that the Purchaser will not make or take any Claim with respect to any matter released and discharged in this Section 2.03 which may result in any Claim against the Receiver or Turuss for contribution or indemnity or other relief.

2.04 **Indemnity by the Purchaser**

The Purchaser hereby indemnifies and saves harmless the Receiver on its own behalf and as trustee for its Affiliates and its and their current and former directors and officers, employees, agents, advisors, and representatives (collectively, the “**Indemnitees**”) from and against all Claims asserted against any of the Indemnitees in any way directly or indirectly arising from, relating to or in connection with any of the Assumed Liabilities. The Purchaser appoints the

Receiver as the trustee for the Indemnitees of the covenants of indemnification of the Purchaser with respect to such Indemnitees specified in this Section 2.04 and the Receiver accepts such appointment.

ARTICLE 3 - GENERAL

3.01 Further Assurances

The Receiver and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.02 Time of the Essence

Time is of the essence of this Agreement.

3.03 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

3.04 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by each of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

3.05 Assignment

This Agreement may not be assigned by the Receiver or by the Purchaser without the consent of: (i) in the case of an assignment by the Receiver, the Purchaser; and (ii) in the case of an assignment by the Purchaser, the Receiver.

3.06 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and in accordance with Section 8.09 of the Asset Purchase Agreement.

3.07 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.08 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The Receiver and the Purchaser each attorn to the jurisdiction of the courts of the Province of Ontario.

3.09 **Appointment of Agent for Service**

The Purchaser nominates, constitutes and appoints ●, barristers and solicitors, of the City of ● its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 3.06). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Ontario has been given to and accepted by the Receiver, service of process or of papers and such notices upon ● will be accepted by the Purchaser as sufficient service.

3.10 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

3.11 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

3.12 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any of the parties.

[The balance of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

[PURCHASER]

Per: _____

Per: _____

**MNP LTD. solely in its capacity as receiver
and manager of TURUSS (CANADA)
INDUSTRY CO., LTD., and not in any other
capacity**

Per: _____

Per: _____

EXHIBIT D**PERMITTED ENCUMBRANCES****PIN: 33183-0177 (LT)**

REG. NUM.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R7194	2000/05/03	PLAN REFERENCE		
3R7328	2001/01/19	PLAN REFERENCE		
3R7734	2003/04/25	PLAN REFERENCE		

PIN: 33183-0178 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R1656	1976/11/25	PLAN REFERENCE		
3R4763	1989/10/02	PLAN REFERENCE		
3R5253	1991/01/29	PLAN REFERENCE		
R278375	1991/07/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
R324241	1997/01/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
3R6870	1998/06/30	PLAN REFERENCE		
3R7025	1999/03/29	PLAN REFERENCE		
3R7194	2000/05/03	PLAN REFERENCE		
R353124	2000/11/06	TRANSFER EASEMENT		MUNICIPALITY OF ARRAN-ELDERSLIE
R356491	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION
R356492	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION

R356525	2001/05/15	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
R358129	2001/07/20	AGREEMENT RIGHT OF WAY		THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358130	2001/07/20	AGREEMENT	810793 ONTARIO LIMITED	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358270	2001/07/27	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
3R7734	2003/04/25	PLAN REFERENCE		
3R7740	2003/05/05	PLAN REFERENCE		
R380920	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
R380921	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
BR23403	2008/12/13	LAND REGISTRAR'S ORDER		

EXHIBIT E

OTHER EXCLUDED ASSETS

NIL

EXHIBIT F**ALLOCATION OF PURCHASE PRICE**

[The Purchase Price allocation will be determined by the Purchaser prior to the Closing Date]

EXHIBIT G**STALKING HORSE BIDDING PROCEDURE****STALKING HORSE BIDDING PROCEDURES
IN THE MATTER OF THE COURT-SUPERVISED RECEIVERSHIP OF TURUSS
(CANADA) INDUSTRY CO., LTD.****Stalking Horse Bidding Procedures**

Capitalized terms not otherwise defined herein shall have meaning set forth in the Sale Process or Auction Procedures (each, as defined herein). The Sale will be completed by MNP Ltd. in its capacity as receiver of Turuss, appointed pursuant to a Receivership Order dated September 18, 2020 (the “**Receiver**”).

The Court has issued the following Orders in the receivership proceedings of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) in respect of a Court approved sale process (the “**Sale Process**”):

- (i) on October 29, 2020, the Court issued an Order (the “**Sale Process Order**”) authorizing the Sale Process in respect of the assets, undertaking and properties of Turuss including the real property and buildings located at 60 Industrial Park Road, Chesley, Ontario (the “**Property**”), with a bid deadline of January 11, 2021;
- (ii) on January 5, 2021, the Court issued an Order approving and authorizing an extension to the Deadline to February 26, 2021; and
- (iii) on March 26, 2021, the Court issued an Order (the “**Second Extension Order**”) approving and authorizing a further extension of the Deadline to April 16, 2021, and an auction procedures attached as Schedule “A” to the Second Extension Order (the “**Auction Procedures**”).

On April 14, 2021, the Court issued an order (the “**Stalking Horse Procedures Order**”) which, among other things:

- (i) supplemented and amended (where necessary and applicable) the existing Sale Process to accept, for the purpose of conducting a “stalking horse” solicitation process with respect to the Property (the “**Stalking Horse Process**”), an asset purchase agreement dated April 13th, 2021 (the “**Stalking Horse Bid**”) between the Receiver and Westmount Park Investments Inc. (the “**Stalking Horse Bidder**”);

- (ii) the payment of an inclusive break fee in the amount of \$100,000 (plus applicable HST) and an expense reimbursement in the amount of \$75,000 (plus applicable HST) (collectively, the “**Break Fee**”) by the Receiver to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid;
- (iii) approving and authorizing the stalking horse bidding procedures (the “**Stalking Horse Bidding Procedures**”); and
- (iv) further extend the Deadline to April 30, 2021.

Set forth below is the Stalking Horse Bidding Procedures to be employed with respect to the sale (the “**Sale**”) of the Property.

Subject to Court availability, within ten (10) business days following an auction (the “**Auction**”), if applicable, the Receiver shall bring a motion (the “**Approval Motion**”) seeking the granting of an approval and vesting order (the “**AVO**”) by the Court authorizing the Receiver to proceed with authorizing and approving the Sale of the Property to the Qualified Bidder making the Successful Offer (being, the Successful Offeror).

This Stalking Horse Bidding Procedures shall supplement and modify (where necessary) the Sale Process. In the event there is any conflict between any provision in the Sale Process, Auction Procedures or the Stalking Horse Bidding Procedures, the terms of this Stalking Horse Bidding Procedures shall govern and prevail.

Assets to Be Sold en bloc

The Receiver is offering for Sale all of the Turuss’ right, title and interest in and to all of the Property en bloc and only a bid for all the Property, in whole and not in part, can be eligible to be a Qualified Offer (as defined herein). The Receiver will be responsible for conducting the Stalking Horse Bidding Procedures and Auction Procedures (if applicable).

The Bidding Process

The Stalking Horse Procedures Order authorizes the Receiver to continue to market and sell the Property pursuant to Sales Process, as supplemented and modified pursuant the Stalking Horse Bidding Procedures. The Receiver shall have the right to adopt, modify and implement such further and other rules and procedures (including rules and procedures that may depart from those set forth herein) that, in its reasonable business judgment, will enhance and improve the goals of the Stalking Horse Bidding Procedures provided, however, any material modifications shall require a further Order of the Court.

Participation Requirements

For clarity, a “**Qualified Offeror**” is a Prospective Offeror who submits a Binding Offer (as defined herein) in substantially the same form as the Stalking Horse Bid submitted in the form of the template APS, for a purchase price of at least \$6,675,000 and satisfies the Bid Requirements (as defined herein), as determined by the Receiver in its sole discretion. Any bid meeting these criteria that is received by the Receiver before the Deadline is a qualified offer (a “**Qualified Offer**”).

Bid Deadline

A Prospective Offeror that desires to make a bid shall deliver written copies of its bid and the Bid Requirements to the Receiver not later than 5:00 p.m. (local Toronto time) on the Deadline.

Bid Requirements

All binding bids and accompanying materials (other than the Stalking Horse Bid) (“**Binding Offers**”, and individually a “**Binding Offer**”) submitted by a Prospective Offeror must provide for the following, in addition to the requirements set forth in the Sale Process, unless any such requirement is waived by the Receiver (collectively, the “**Bid Requirements**”):

- (i) a base cash purchase price or transaction value equal to or greater than \$6,675,000, being the Stalking Horse Bid (\$6,500,000) plus the Break Fee of \$175,000 (the “**Base Purchase Price**”);
- (ii) delivery of the Binding Offer by the Prospective Offeror to the Receiver on or before the Deadline;
- (iii) 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 bidder’s financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
- (iv) a provision stating that the Prospective Offeror’s bid is irrevocably open for acceptance until the selection of the Successful Offeror;
- (v) 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;
- (vi) an acknowledgement and representation that the Prospective Offeror: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, (ii) 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;

- (vii) no conditions based 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 Prospective Offeror (as set out in the APS); and
- (viii) an executed copy of the APS and a blackline of the Prospective Offeror's proposed purchase agreement against the Stalking Horse Bid.

The Receiver reserves the right to determine the value of any Qualified Offer, and which Qualified Offer constitutes the best bid (the "**Lead Bid**"), for the purposes of the Auction (if applicable). Details of the Lead Bid will be provided by the Receiver to all Qualified Offerors after the Deadline and no later than 5:00p.m. (local Toronto Time) two (2) business days before the date scheduled for the Auction.

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.

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 Offer(s) to be a Qualified Offer.

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 Stalking Horse Bidding Procedures or Auction Procedures prior to the selection of a Successful Offeror.

Notwithstanding the Bid Requirements detailed above, the Stalking Horse Bid shall be deemed to be a Qualified Offer.

The Auction Process

If one or more Qualified Offers (other than that submitted by the Stalking Horse Bidder) have been received by the Receiver on or before the Deadline, the Receiver may implement the

Auction. In the event the Receiver elects, in its discretion, to implement the Auction, the Receiver shall advise all Qualified Offerors of the Lead Bid and invite all Qualified Offerors (including the Stalking Horse Bidder) to attend the Auction to be conducted by the Receiver in accordance with the Auction Procedures (each invited Qualified Offeror being a “Selected Offeror”, as defined in the Auction Procedures).

For greater certainty, the Auction shall be governed by the terms set out in the Auction Procedures.

If no Qualified Offer is submitted by the Deadline, then the Stalking Horse Bid shall be the Successful Offer, and the Stalking Horse Bidder shall be the Successful Offeror.

Highest versus Best Bid

In determining the Lead Bid or any Opening Bid, the highest and/or best bid during each round of bids, and the Successful Offer, the Receiver is not required to select the bid with the highest purchase price amount and may, exercising its reasonable business judgment, select another bidder on the basis that it is the best bid even though not the highest purchase price. Without limiting the foregoing, the Receiver may give such weight to the non-monetary considerations as it determines, exercising its reasonable business judgment, is appropriate and reasonable.

Break Fee and Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Receiver has agreed to pay the Stalking Horse Bidder, under the conditions outlined herein and in the Stalking Horse Bid, the Break Fee, in each case payable by the Receiver to the Stalking Horse Bidder only in the event that a Successful Offer other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and the associated transaction is completed.

Acceptance of Qualified Bids

The sale of the Property to any Successful Offeror by the Receiver is expressly conditional upon the approval of the Successful Offer by the Court at the hearing of the Approval Motion. The presentation of the Successful Offer to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Offer unless and until the Court approves the Successful Offer. The Receiver will be deemed to have accepted a Successful Offer bid only when the Successful Offer has been approved by the Court at the hearing on the Approval Motion.

Approval Motion

The Approval Motion shall, subject to court availability, be made returnable as soon as reasonably possible following the selection of the Successful Offer. The Receiver, in the exercise of its business judgement, reserves its right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of the Approval Motion in order to achieve the maximum value for the Property.

Miscellaneous

The Stalking Horse Bidding Procedures and Auction Procedures are solely for the benefit of the Receiver and nothing contained in the Sale Process Order, the Sale Process, the Stalking Horse Bidding Procedures, or the Auction Procedures shall create any rights in any other person (including, without limitation, any Prospective Offeror or Qualified Offeror, and any rights as third party beneficiaries or otherwise). The bid protections incorporated in the Stalking Horse Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.

Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Offers will be received, the Receiver, may terminate the Stalking Horse Bidding Procedures.

The Receiver may 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 Bid Requirements, or any order of the Court, or (iii) contrary to the best interests of the receivership estate. The Receiver shall have the right to modify the Stalking Horse Bidding Procedures, or impose additional terms and conditions on the sale of the Property, acting reasonably.

The Receiver shall not have any liability whatsoever to any person or party for any act or omission related to the Stalking Horse Bidding Procedures or Auction Procedures. 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.

Appendix “J” to the Fifth Report of the Receiver

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

AFFIDAVIT OF JERRY HENECHOWICZ

(Sworn April 12, 2021)

I, Jerry Henechowicz, of the City of Markham, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a licensed Trustee with MNP Ltd. the Court-appointed receiver and manager (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (the “**Company**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver was appointed, without security, of the assets, property and undertaking of the Company by Order of the Honourable Justice Hainey dated September 18, 2020.
3. The Receiver has prepared Statements of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period March 1

to 31, 2021. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the Statements of Account.

4. Attached hereto and marked as Exhibit "B" are copies of the Statements of Account. The average hourly rate in respect of the account is \$543.88.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the fees and disbursements of the Receiver and its accounts.
6. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.

SWORN by Jerry Henechowicz at the City of Markham in the Province of Ontario, before me on April 12, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits



JERRY HENECHOWICZ

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me by video conference

This 12th day of April, 2021

A handwritten signature in blue ink, appearing to read "D. [unclear]", is written over a faint horizontal line.

Commissioner for taking Affidavits, etc

**RECEIVERSHIP OF TURUSS (CANADA) CO. LTD.
SUMMARY OF STATEMENTS OF ACCOUNT OF
MNP LTD IN ITS CAPACITY AS COURT APPOINTED LIQUIDATOR
FOR THE PERIOD MARCH 1 TO MARCH 31, 2021**

MNP INVOICE	DATE	HOURS	FEEs	DISBURSEMENTS	HST	TOTAL
9738676	12-Apr-2021	51.35	\$ 27,928.25	\$ 460.70	\$ 3,690.56	\$ 32,079.51
		51.35	\$ 27,928.25	\$ 460.70	\$ 3,690.56	\$ 32,079.51

Average Hourly Rate **\$ 543.88**

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 12th day of April, 2021

A handwritten signature in blue ink, appearing to be "D. [unclear]", is written over a faint horizontal line.

Commissioner for taking Affidavits, etc



Invoice

Invoice Number : 9738676

Client Number : 0835555

Invoice Date : Apr 12 2021

Invoice Terms : Due Upon Receipt

Turuss (Canada) Industry Co., Ltd.
 c/o MNP Ltd.
 300-111 Richmond Street West
 Toronto, ON M5H 2G4

For Professional Services Rendered :

Professional services as Court Appointed Receiver and Manager of Turuss
 (Canada) Industry Co. Ltd. for the period March 1 to March 31, 2021 as set
 out on that attached time and billing summary. 28,388.95

Harmonized Sales Tax : 3,690.56

Total (CAD) : 32,079.51

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We
 sincerely appreciate your trust in us.

Licensed Insolvency Trustees
 111 RICHMOND STREET WEST, SUITE 300;
 TORONTO ON; M5H 2G4
 P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

MNP LTD.

COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO. LTD.

FOR THE PERIOD MARCH 1 to MARCH 31, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
01-Mar-2021	Jerry Henechowicz	1.20	Responding to operational issues, calls re lease expansion
01-Mar-2021	Patricia Ball	.30	input cheque requisitions
01-Mar-2021	Jim Guo	.30	chq req
01-Mar-2021	Trina Bumingham	.25	Granted access to Data Room; Saved copy of NDA to directory; Updated tracker.
01-Mar-2021	Trina Bumingham	.25	Posted cheques to Ascend
01-Mar-2021	Trina Bumingham	.50	Called C. Cristillo from McDougall Energy to make bill payment; Left voicemail; Spoke with C. Cristillo and arranged credit card payment; Updated invoice contact info from N. Muhkerjee to T. Bumingham
02-Mar-2021	Jerry Henechowicz	1.10	Preparation for and call with property manager, update with counsel, review of expenses and billings
02-Mar-2021	Jim Guo	.50	chq req
02-Mar-2021	Trina Bumingham	.25	Bank cheque requisition drafted and emailed to M. Lem for review and approval.
03-Mar-2021	Jerry Henechowicz	.60	On-going calls with prospective purchasers and operating payments, calls with Richmond Advisory
04-Mar-2021	Sheldon Title	.30	call from Paul Kueneman on client interested in viewing property and receipt of letter on same; email to Trina to arrange same; phone message from Moore Propane and forward same to group to respond to
06-Mar-2021	Sheldon Title	1.00	review of draft amending lease and consideration of same, call with Rob Kennedy concerning same; email to Kennedy to propose further language to clarify surrender/termination date issue
08-Mar-2021	Sheldon Title	.70	emails from interested parties, one for inspection and the other for a meeting, call to Robert Kennedy, call with Trina on arranging inspection, call and email to Robert Kennedy
08-Mar-2021	Trina Bumingham	.50	Received NDA and reviewed; Granted access to data room; Saved copy of NDA to directory; Updated tracker; Email to S. Title re: contacting J. Hingston; Emailed J. Hingston re: property viewing.
10-Mar-2021	Jerry Henechowicz	.30	Update with Dentons and Jamie Hingston
10-Mar-2021	Trina Bumingham	.25	NDA reviewed; Information added to Data Room; Tracker updated; Copy saved to directory.
11-Mar-2021	Jerry Henechowicz	1.30	Multiple emails and calls related to lease expansion agreement, update with prospective purchasers
12-Mar-2021	Jerry Henechowicz	.80	Emails and calls with Richmond advisory to resolve outstanding accounts, review of insurance issues
12-Mar-2021	Patricia Ball	.10	post deposit voucher
15-Mar-2021	Jerry Henechowicz	2.30	Multiple calls with prospective purchasers, call with Bruce Power on status of overdue payments, review of cash flow, review of insurance issues, call with
15-Mar-2021	Craig Burkart	.80	Review insurance documents; discussion on documents and provisions
15-Mar-2021	Trina Bumingham	1.00	Notice of extension emailed to interested parties via mail merge; Notice uploaded to Firmex webpage; Notice uploaded to MNP debt webpage; Copy

MNP LTD.

COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO. LTD.

FOR THE PERIOD MARCH 1 to MARCH 31, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
16-Mar-2021	Jerry Henechowicz	1.20	Multiple calls and emails related to bill payments, consultations re lease expansion agreement
17-Mar-2021	Jerry Henechowicz	1.60	Multiple calls with prospective purchasers re site visits and status of lease, review of proposed lease amendments
18-Mar-2021	Jerry Henechowicz	.80	Emails and discussions related to lease expansion and scheduling of site visits
19-Mar-2021	Jerry Henechowicz	1.50	Ongoing matters related to lease expansion and sale process
19-Mar-2021	Patricia Ball	.20	Bank Rec issues
22-Mar-2021	Jerry Henechowicz	3.80	Multiple drafts and redrafts of report, review of notice of motion and order, calls from prospective purchasers, payment of bills
22-Mar-2021	Patricia Ball	.10	Receipt Voucher
22-Mar-2021	Trina Bumingham	1.00	NDA's reviewed; Emailed J. Henechowicz requested NDA information.
22-Mar-2021	Trina Bumingham	.50	Bank cheque requisition drafted; Approved draft forwarded to P. Ball for processing.
23-Mar-2021	Jerry Henechowicz	4.10	Multiple reviews of report, notice of motion, order and finalization of same and service, Review of Lease Expansion Agreement, execution of same. Discussions with prospective purchasers on bidding process.
23-Mar-2021	Patricia Ball	.20	process cheque requisitions
23-Mar-2021	Matthew Lem	1.80	Review and provide comments on Draft Fourth Report to Court.
23-Mar-2021	Trina Bumingham	.25	Uploaded document to Data Room.
24-Mar-2021	Jerry Henechowicz	2.40	Follow up and postings related to Motion Record, multiple calls and emails with prospective purchasers, call with Bruce Power on tenant improvements, call with
24-Mar-2021	Jim Guo	.20	chq run
24-Mar-2021	Trina Bumingham	.25	Document added to mnpdebt website. Copy saved to directory.
25-Mar-2021	Jerry Henechowicz	2.80	Preparing and posting various notices to data room and website, preparing for Court attendance, responding to enquiries from prospective purchasers, call with Bruce Power on alterations
25-Mar-2021	Trina Bumingham	.75	Notice of Bid Date Extension added to Firmex webpage; Notice emailed to Interested Parties; Copy saved to directory.
25-Mar-2021	Trina Bumingham	.25	Emailed interested parties who were having trouble accessing the new link
26-Mar-2021	Jerry Henechowicz	1.80	Court attendance, posting of orders, responding to prospective purchaser calls, updates with Bruce Power on Alterations, emails with Jamie Hingston on roof leaks and other on-site repairs needed, update with Pillar Capital
26-Mar-2021	Patricia Ball	.20	Process cheque requisitions
26-Mar-2021	Jim Guo	.20	chq run

MNP LTD.

COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO. LTD.

FOR THE PERIOD MARCH 1 to MARCH 31, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
26-Mar-2021	Trina Bumingham	.25	Copy of Notice of Bid extension posted to mnpdebt webpage; Copy saved to directory.
26-Mar-2021	Trina Bumingham	.25	Sales Process Extension Order uploaded to MNPdebt webpage; Copy saved to directory.
26-Mar-2021	Trina Bumingham	.25	Forwarded a copy of the Lease Agreement to A. Jongsma.
29-Mar-2021	Jerry Henechowicz	2.50	Arranging posting of notices, multiple calls with prospective purchasers, emails related to payment of various expenses and review of rent receipts, review of tenant improvements
29-Mar-2021	Patricia Ball	.10	input receipt voucher
29-Mar-2021	Trina Bumingham	.25	Bank cheque requisition drafted and emailed to J. Henechowicz for review and approval. (McDougall)
29-Mar-2021	Trina Bumingham	.25	Email address updated on Turuss data room; Error code received when saving new email address; Emailed Firmex Tech support with request to change email address for interested party; Email updated and confirmation received from firmex.
29-Mar-2021	Trina Bumingham	.25	Notice of bid extension deadline uploaded to Firmex webpage; Same document also uploaded to the MNPdebt webpage; Copy saved to directory.
30-Mar-2021	Jerry Henechowicz	3.20	Reveiw and payment of operating expenses, call with on site property manager, call with Bruce Power to review necessary improvements, calls with prospective contractors, update with Dentons, arranging wire payments to Pillar Capital, calls with prospective purchasers and review of due diligence needs
30-Mar-2021	Trina Bumingham	.50	Bank cheque requisition drafted and emailed to J. Henechowicz for review and approval; Received approved cheque req. and forwarded to P. Ball for processing; Copies saved to directory.
30-Mar-2021	Trina Bumingham	.50	Call with Bell - restoring services and updating billing information.
31-Mar-2021	Jerry Henechowicz	1.30	Responding to enquiries from prospective purchasers, forward APS to various prospective purchasers, payment of operating expenses, update call with Dentons
31-Mar-2021	Patricia Ball	.20	Process Cheque Requisitions
31-Mar-2021	Jim Guo	.20	chq run
31-Mar-2021	Matthew Lem	.10	Attend to wire payment authorizations.
31-Mar-2021	Sheila Ayer	.50	wire payments (Pillar Capital, James Hingston wages)
31-Mar-2021	Trina Bumingham	.25	Document uploaded to MNPdebt webpage; Called Hydro One re: March invoice; Emailed invoice to J. Henechowicz; Saved copy to the directory;
		51.35	

MNP LTD.

COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO. LTD.

FOR THE PERIOD MARCH 1 to MARCH 31, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION	
BILLING SUMMARY				
	PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
	Craig Burkart	0.80	650.00	520.00
	Jerry Henechowicz	34.60	650.00	22,490.00
	Jim Guo	1.40	175.00	245.00
	Matthew Lem	1.90	585.00	1,111.50
	Patricia Ball	1.40	195.00	273.00
	Sheila Ayer	0.50	215.00	107.50
	Sheldon Title	2.00	650.00	1,300.00
	Trina Burningham	8.75	215.00	1,881.25
	Total	51.35		27,928.25
DISBURSEMENTS				
	Printing			128.50
	Firmex Data Room Maintenance			275.00
	Telecommunications			57.20
				460.70
TOTAL FEES AND DISBURSEMENTS				28,388.95

- and -

PILLAR CAPITAL CORP.

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF JERRY HENECHOWICZ

DENTONS CANADA LLP
77 King Street West, Suite 400
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daniel.loberto@dentons.com

Lawyers for the Receiver

Appendix “K”
to the Fifth Report of the Receiver

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

**AFFIDAVIT OF ROBERT KENNEDY
(sworn April 13, 2021)**

I, **ROBERT KENNEDY**, of the City of Pickering, in the Province of Ontario, **SWEAR
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP ("**Dentons**"), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated September 18, 2020 (the "**Receivership Order**"), MNP Ltd. was appointed receiver of Turuss (Canada) Industry Co., Ltd. in the within proceedings (the "**Receiver**").
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of March 1, 2021 to March 31, 2021 (the “**Fee Period**”), are summarized in the invoice rendered to the Receiver (the “**Invoice**”). The Invoice is a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoice and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoice, with minor redactions to protect confidentiality, are marked and attached as **Exhibit "A"**.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoice, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

9. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.
10. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

SWORN by Robert Kennedy of the City of Pickering in the Province of Ontario, before me at the City of Markham in the Province of Ontario on April 13, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for Taking Affidavits, etc.



ROBERT KENNEDY

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 13th DAY OF APRIL,
2021.



A Commissioner for Taking Affidavits, etc.

MNP LLP
111 Richmond Street West
Suite 300
Toronto ON M5H 2G4
Attention: Jerry Henechowicz**INVOICE # 3578344**GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
March 31, 2021	541179-000007	Robert Kennedy

MNP LLP
Re: Turuss (Canada) Industry Co. Ltd.

Professional Fees	\$ 78,644.50
Less: Discount	<u>(1,644.50)</u>
Net Professional Fees	\$ 77,000.00
Disbursements	441.25
HST (13.0%) on \$77,121.25	<u>10,025.76</u>
Total Amount Due	<u>\$ 87,467.01 CAD</u>

Payment Options:**Cheques:**Cheques payable to Dentons Canada LLP
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal
1st Canadian Place, Toronto, ON
Swift Code: BOFMCAM2
Bank ID: 001 Transit: 00022
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____

Amount: _____ Cardholder Name: _____

Signature: _____

Internet Banking:Accepted at most financial institutions. Your payee is Dentons Canada LLP and
your account number is 541179. Please email us at
Edm.Accounting@dentons.com referencing invoice number and payment
amount.**Interac e-Transfer:**e-Transfer funds to AR.Canada@dentons.com referencing invoice number in
message. Please use matter number referenced on your invoice as the password.
Alternatively, send password to AR.Canada@dentons.com in separate email.Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
26-Feb-21	Sonja Homenuck	Reviewing and providing comments on options listed.
01-Mar-21	Daniel Loberto	Attend conference call to discuss strategy. Interoffice discussion with Robert Kennedy and Sonja Homenuck. Coordinate conference call for March 2, 2021 with Bruce Power.
01-Mar-21	Sonja Homenuck	Conference call with Jerry Henechowicz, Robert Kennedy and Daniel Loberto. Telephone call with Robert Kennedy. Reviewing emails from Robert Kennedy on lease amendment outstanding issues.
01-Mar-21	Robert Kennedy	Review memorandum re: strategy. Attend conference call re: BP lease amendment. Conference with Sonja Homenuck and Daniel Loberto. Review correspondence to Ford Thomson. Review BP lease amendment.
02-Mar-21	Daniel Loberto	Email correspondence with Robert Kennedy. Review strategy for conference call. Attend conference call.
02-Mar-21	Sonja Homenuck	Conference call with Bruce Power representatives and Robert Kennedy on outstanding lease issues for lease amendment. Telephone call with Robert Kennedy.
02-Mar-21	Robert Kennedy	Review BP lease amendment. Conference with Daniel Loberto. Attend conference call with representatives of BP. Conference with Sonja Homenuck. Various correspondence to and from Ford Thomson. Conversation with Ford Thomson. Various correspondence re: insurance matters.
03-Mar-21	Daniel Loberto	Email correspondence with Robert Kennedy. [REDACTED]
03-Mar-21	Sonja Homenuck	Reviewing insurance edits to lease. Email to Robert Kennedy on same.
03-Mar-21	Robert Kennedy	Conversation with Sean Kennedy re: insurance matters. Review correspondence from Ford Thomson. Conversation with Ford Thomson. Conversation with Jerry Henechowicz re: BP lease and motion matters. Conference with Daniel Loberto. Review lease re: insurance provisions.
04-Mar-21	Daniel Loberto	Draft auction procedures. Attend conference call with Bruce Power. Correspond with Bruce Power, Robert Kennedy, and Sonja Homenuck.
04-Mar-21	Sonja Homenuck	Telephone call with tenant representatives and Robert Kennedy. Revising lease amending agreement.

Date	Timekeeper	Description of Work
04-Mar-21	Robert Kennedy	Review correspondence from Ford Thomson. Review BP lease amendment. Preparation for conference call with representatives of BP. Conference with Sonja Homenuck. Conversation with Jerry Henechowicz. Conference with Daniel Loberto re: Schedule "A".
05-Mar-21	Daniel Loberto	Correspond with Bruce Power, Robert Kennedy, and Sonja Homenuck. Review map of property provided by Bruce Power.
05-Mar-21	Sonja Homenuck	Email exchange with Robert Kennedy on site plan and signing in escrow.
05-Mar-21	Kori Williams	Emails and discussions in connection with security review.
05-Mar-21	Robert Kennedy	Review BP lease amendment. Work on revisions. Correspondence to Ford Thomson and Steve Marcotte. Conversation with Sheldon Title. [REDACTED]
06-Mar-21	Daniel Loberto	Review lease amending agreement. Correspond with Robert Kennedy.
06-Mar-21	Robert Kennedy	Review revised version of BP amendment. Conference with Daniel Loberto. Conversation with Sheldon Title.
07-Mar-21	Sonja Homenuck	Reviewing emails from Robert Kennedy. Reviewing marked site plan received and reviewing revisions to lease amending agreement. Email to Ford Thompson.
08-Mar-21	Daniel Loberto	Correspond with Robert Kennedy. Revise auction procedure.
08-Mar-21	Sonja Homenuck	Reviewing emails from Sheldon Title and Robert Kennedy.
08-Mar-21	Robert Kennedy	Review correspondence from Sonja Homenuck re: BP lease amendment. Review revisions. Review correspondence from Sheldon Title. Conversation with Sheldon Title. Review auction procedure. Correspondence from and to Sheldon Title.
09-Mar-21	Daniel Loberto	Attend conference call.
09-Mar-21	Sonja Homenuck	Conference call with Sheldon Title and Robert Kennedy on final outstanding issues for instruction on lease amendment and expansion agreement. Telephone call with Robert Kennedy. Revising Lease Amending and Expansion Agreement.
09-Mar-21	Robert Kennedy	Review correspondence from Shelton Title. Correspondence to Sheldon Title. Correspondence to Sonja Homenuck. Correspondence to Jerry Henechowicz. [REDACTED] Conference with Sonja Homenuck.

Date	Timekeeper	Description of Work
10-Mar-21	Daniel Loberto	Coordinate court date with Court. Prepare data room notice.
10-Mar-21	Sonja Homenuck	Email exchanges with Ford Thompson.
10-Mar-21	Robert Kennedy	[REDACTED] Various correspondence to and from Jerry Henechowicz. Various correspondence to and from Ford Thomson.
10-Mar-21	Kenneth Kraft	[REDACTED]
11-Mar-21	Daniel Loberto	Prepare for conference call. Attend conference call. Draft task list email to Jerry Henechowicz.
11-Mar-21	Sonja Homenuck	Reviewing further edits on lease amending agreement from Ford Thompson on insurance provisions. Considering same and providing comments thereon to Robert Kennedy.
11-Mar-21	Kori Williams	Emails and discussions in connection with opinion.
11-Mar-21	Robert Kennedy	Review correspondence from Ford Thomson. Review BP lease amendment. Correspondence to and from Jerry Henechowicz. [REDACTED]
12-Mar-21	Daniel Loberto	Review Robert Kennedy correspondence.
12-Mar-21	Daniel Loberto	Draft fourth report of the receiver.
12-Mar-21	Robert Kennedy	Various correspondence to and from Ford Thomson. Work on auction procedures. Correspondence to Jerry Henechowicz re: BP lease amendment. Conversation with Steve Dizep re: borrowings.
14-Mar-21	Daniel Loberto	Email correspondence with Robert Kennedy and Sonja Homenuck.
14-Mar-21	Sonja Homenuck	Revising lease amending agreement.
15-Mar-21	Esme Cragg	Review of the draft security report and updating same. Obtaining updated copies of the parcel registers and review of same. Correspondence with Danijel Augustinovic and Kori Williams with respect to the foregoing.
15-Mar-21	Daniel Loberto	Review court correspondence. Correspond with Amanda Campbell. Amend calendar invite. Correspond with Robert Kennedy. Review data room notice. Draft notice of motion and draft order.
15-Mar-21	Daniel Loberto	Work on fourth report of the receiver.
15-Mar-21	Kori Williams	Review revised security report. Discuss and comment on same.
15-Mar-21	Robert Kennedy	Work on motion matters. Conference with Daniel Loberto.
16-Mar-21	Daniel Loberto	Draft notice of motion and draft order. Interoffice

Date	Timekeeper	Description of Work
		conversation with Robert Kennedy. Correspondence with Jerry Henechowicz. [REDACTED]
17-Mar-21	Daniel Loberto	Work on notice of motion, draft order, and fourth report of the Receiver. Email correspondence with Jerry Henechowicz and Robert Kennedy. Interoffice discussion with Robert Kennedy.
17-Mar-21	Robert Kennedy	Work on BP lease amendment matters. Various correspondence to and from Jerry Henechowicz. Conversation with Jerry Henechowicz. [REDACTED]
18-Mar-21	Daniel Loberto	Review correspondence from Jerry Henechowicz. Review correspondence from Ford Thomson. Correspondence to Jerry Henechowicz.
18-Mar-21	Daniel Loberto	Work on notice of motion, draft order, and fourth report of the Receiver. Email correspondence with Robert Kennedy. Coordinate conference call. Prepare for and attend conference call. Amend lease amendment.
18-Mar-21	Sonja Homenuck	Email exchanges with Robert Kennedy on insurance changes in lease amending agreement.
18-Mar-21	Robert Kennedy	[REDACTED] Review BP amendment. Various correspondence to and from Ford Thomson. Various correspondence to and from Jerry Henechowicz. Review draft motion materials.
18-Mar-21	Kenneth Kraft	[REDACTED]
19-Mar-21	Daniel Loberto	Review and revise lease amendment. Correspond with Robert and Sonja. Interoffice call with Robert Kennedy. Draft strategy email to Robert Kennedy.
19-Mar-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz.
20-Mar-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz re: motion matters. Work on Receiver's Report. Conversation with Jerry Henechowicz. [REDACTED]
21-Mar-21	Daniel Loberto	Correspond with Robert Kennedy and provide deadline chronology. Revise fourth report of the receiver. Correspond with Jerry Henechowicz. Revise notice of motion and order.
21-Mar-21	Robert Kennedy	Work on Receiver's Report. Conversation with Jerry Henechowicz. Conference with Daniel Loberto. Correspondence to Jerry Henechowicz. [REDACTED]

Date	Timekeeper	Description of Work
22-Mar-21	Daniel Loberto	Review and revise notice of motion, draft order, auction procedures and fourth report of the Receiver. Prepare for motion. Revise lease agreement. Review invoices. Interoffice call with Robert Kennedy.
22-Mar-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Conference with Ken Kraft. Various correspondence to and from Ford Thomson. Work on motion materials. Review BP lease amendment. Conversation with Ford Thomson. Review fee affidavit. Conference with Daniel Loberto. Various conversations with Jerry Henechowicz.
22-Mar-21	Kenneth Kraft	Discussions with Rob Kennedy.
23-Mar-21	Daniel Loberto	Review and revise notice of motion, draft order, auction procedures and fourth report of the Receiver. Commission affidavits. Interoffice call with Robert Kennedy re: revisions to motion materials. Review motion record.
23-Mar-21	Sonja Homenuck	Email exchanges with Daniel Loberto. Reviewing final version of lease amendment with insurance changes. Email exchange with Robert Kennedy on same.
23-Mar-21	Robert Kennedy	Various correspondence with Jerry Henechowicz. [REDACTED] Work on motion materials. Various conferences with Daniel Loberto re: motion matters. Various revisions to Receiver's Report. Review comments. Conference with Ken Kraft. Attend to BP lease matters and finalization. [REDACTED] Conversation with Jerry Henechowicz. Review and finalize motion materials. Conference with Daniel Loberto re: data room notice. Correspondence to Ford Thomson and Steve Marcotte re: lease amendment.
23-Mar-21	Kenneth Kraft	Discussion with Rob Kennedy on report comments and sale process language.
24-Mar-21	Daniel Loberto	Correspond with Court and Robert Kennedy. Prepare for motion.
24-Mar-21	Robert Kennedy	Review motion record. Correspondence to Justice Hainey. Prepare Notice re: data room update. Correspondence to Jerry Henechowicz. Conference with Ken Kraft. Conversation with Jerry Henechowicz re: motion and sale process. Correspondence to Ford Thomson.
24-Mar-21	Kenneth Kraft	Review draft update notice and related discussion with Rob Kennedy.
25-Mar-21	Daniel Loberto	Prepare for motion. Correspond with Jerry Henechowicz and Robert Kennedy. Interoffice discussion with Robert.
25-Mar-21	Robert Kennedy	[REDACTED]

Date	Timekeeper	Description of Work
26-Mar-21	Daniel Loberto	[REDACTED] Preparation for motion. Conversation with Jerry Henechowicz.
26-Mar-21	Robert Kennedy	Prepare for motion. Attend motion re: bid deadline extension and approval of auction procedures. Correspond with the Court. Draft data room notice.
29-Mar-21	Daniel Loberto	Preparation for Court attendance. Various correspondence to and from Jerry Henechowicz. Attend motion. Conference with Daniel Loberto re: sale process matters. Review and revise notice.
29-Mar-21	Robert Kennedy	Review correspondence received by Amanda Campbell from unsecured creditor. Correspond with unsecured creditor. Correspond with Robert Kennedy re: items to complete prior to bid deadline. Review data room notices and agreement of purchase and sale. Interoffice call with Robert Kennedy.
30-Mar-21	Daniel Loberto	Review Court Order. [REDACTED] Various correspondence to and from Jerry Henechowicz. Review data room notice. [REDACTED] Conference with Daniel Loberto.
30-Mar-21	Daniel Loberto	Correspond with the Court re: motions. Review precedent court materials re: sale approval. Review correspondence by Jerry Henechowicz.
30-Mar-21	Robert Kennedy	Review BP lease amendment. Various correspondence with BP re: lease deposit. Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto re: sale process matters. Consider sale process matters and review template APA.
31-Mar-21	Daniel Loberto	Correspond with unsecured creditor re: unsecured claim. Correspond with Court re: motion dates. Correspond with Jerry Henechowicz. Attend conference call. Review legal research resources. Review and revise asset purchase agreement. Interoffice discussion with Robert Kennedy.
31-Mar-21	Robert Kennedy	Work on sale process matters. Review and revise template APA. Conference with Daniel Loberto re: sale process matters. [REDACTED]

Timekeeper	Hours	Rate	Fees
Daniel Loberto	58.1	460.00	26,726.00
Esme Cragg	1.3	630.00	819.00
Kenneth Kraft	1.6	990.00	1,584.00
Kori Williams	1.5	735.00	1,102.50
Robert Kennedy	53.0	835.00	44,255.00
Sonja Homenuck	5.4	770.00	4,158.00
Total	120.9		\$78,644.50

TOTAL PROFESSIONAL FEES \$ 78,644.50
Less: Discount (1,644.50)
NET PROFESSIONAL FEES \$ 77,000.00

TAXABLE DISBURSEMENTS

Computerized Title Search \$ 78.50
Library Computer Research 42.75
TOTAL TAXABLE DISBURSEMENTS \$ **121.25**

NON-TAXABLE DISBURSEMENTS

Filing Fee* \$ 320.00
TOTAL NON-TAXABLE DISBURSEMENTS \$ **320.00**

TOTAL DISBURSEMENTS 441.25

TOTAL FEES AND DISBURSEMENTS \$ 77,441.25

TAXES

HST (13.0%) on Professional Fees of \$77,000.00 \$ 10,010.00
HST (13.0%) on Taxable Disbursements of \$121.25 15.76

TOTAL TAXES 10,025.76

TOTAL AMOUNT DUE \$ 87,467.01 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 13th DAY OF APRIL,
2021.



A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"**Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP****The Period from March 1, 2021 to March 31, 2021**

Date	Invoice No.	Fees	Discount	Disbursements	Taxes(HST)	Hours	Average Rate	Total
March 31, 2021	3578344	78,644.50	-1,644.50	441.25	10,025.76	120.9	726.67	87,467.01
TOTALS:		\$78,644.50	(\$1,644.50)	\$ 441.25	\$10,025.76	120.9	\$ 726.67	\$87,467.01

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 13th DAY OF APRIL,
2021.



A Commissioner for Taking Affidavits, etc.

EXHIBIT “C”**Billing Rates of Dentons Canada LLP**

For the period March 1, 2021 to March 31, 2021

	<u>Standard Rate</u>	<u>Year of Call</u>
Kenneth Kraft	\$990	1991
Sonja Homenuck	\$770	2000
Robert Kennedy	\$835	2002
Kori Williams	\$735	2008
Esme Cragg	\$630	2013
Daniel Loberto	\$460	2020

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ROBERT KENNEDY

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

Robert Kennedy (LSO #474070)
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robert.kennedy@dentons.com

Daniel Loberto (LSO # 79632Q)
Tel: (416) 863-4760
daniel.loberto@dentons.com

Lawyers for the Receiver

Confidential Appendix “A” to the Fifth Report of the Receiver

REDACTED

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

FIFTH REPORT OF THE RECEIVER

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

Robert Kennedy (LSO #474070)
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robert.kennedy@dentons.com

Daniel Loberto (LSO # 79632Q)
Tel: (416) 863-4760
daniel.loberto@dentons.com

Lawyers for the Receiver

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	WEDNESDAY, THE 14 th
)	
JUSTICE KOEHNEN)	DAY OF APRIL, 2021

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

ORDER
(Stalking Horse Bidding Procedures)

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) Industry Co., Ltd. (“**Turuss**”) including the real property and buildings located a 60 Industrial Park Road, Chesley, Ontario (the “**Property**”) for an order:

- (a) abridging the time for service of the Motion Record of the Receiver dated April 13th, 2021 (the “**Motion Record**”) and validating service thereof;
- (b) approving the stalking horse bidding procedures, substantially in the form attached as Schedule “A” hereto (the “**Stalking Horse Bidding Procedures**”), and an extension of the offer deadline (the “**Deadline**”) contemplated and set forth in the sale process (the “**Sale Process**”) approved by the order of Justice Cavanagh dated October 29, 2020 from April 16, 2021 to April 30, 2021;

- (c) authorizing the Receiver to execute the Stalking Horse Bid (as defined herein);
- (d) approving a sealing order for the confidential supplement to the Fifth Report (as defined herein) (the “**Confidential Supplement**”);
- (e) approving the fifth report of the Receiver dated April 13th, 2021 to the Court (the “**Fifth Report**”), and the activities of the Receiver as described therein;
- (f) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP, as set out in the Fifth Report, the fee affidavit of Jerry Henechowicz sworn April 12, 2021 (the “**Henechowicz Affidavit**”), and the fee affidavit of Robert Kennedy sworn April 13, 2021 (the “**Kennedy Affidavit**”, and together with the Henechowicz Affidavit, the “**Fee Affidavits**”); and
- (g) such other matters considered relevant to the Receiver’s administration of this proceeding.

was heard this day judicial videoconference via Zoom due to the COVID-19 pandemic.

ON READING the Motion Record, the Receiver’s Fifth Report and Confidential Supplement, 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 Amanda Campbell sworn April 13, 2021, filed:

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

STALKING HORSE BIDDING PROCEDURES

3. **THIS COURT ORDERS** that the Stalking Horse Bidding Procedures, in the form attached as **Schedule “A”** hereto (subject to any amendments that may be made in accordance therewith), is hereby approved.

4. **THIS COURT ORDERS** that the Deadline be and is hereby extended from April 16, 2021 to April 30, 2021.

5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to carry out the Stalking Horse Bidding Procedures and to take such steps and execute such documentation as may be necessary or incidental to the Stalking Horse Bidding Procedures.

6. **THIS COURT ORDERS** that the Receiver and its respective affiliates, partners, directors, employees, agents or and controlling persons, shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the Stalking Horse Bidding Procedures, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Receiver in performing its obligation under the Stalking Horse Bidding Procedures.

STALKING HORSE BID

7. **THIS COURT ORDERS** that the Receiver is hereby authorized to execute the asset purchase agreement dated April 13th, 2021 among the Receiver and Westmount Park Investments Inc. (the “**Stalking Horse Bid**”), *nunc pro tunc*, provided that nothing herein approves the sale and the vesting of the Purchased Assets (as defined in the Stalking Horse Bid) to Westmount Park Investments Inc. pursuant to the Stalking Horse Bid and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion made to this Court following completion of the sale process pursuant to the terms of the Stalking Horse Bidding Procedures, if the Stalking Horse Bid is the Successful Offer (as defined in the Stalking Horse Bidding Procedures).

SEALING ORDER

8. **THIS COURT ORDERS** that the Confidential Supplement shall be sealed and kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title to these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

RECEIVER'S ACTIVITIES

9. **THIS COURT ORDERS** that the Fifth Report, and the activities of the Receiver as described therein, is hereby approved.

10. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Fifth Report and the Fee Affidavits, are hereby approved.

GENERAL

11. **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"
Stalking Horse Bid Procedures

**STALKING HORSE BIDDING PROCEDURES
IN THE MATTER OF THE COURT-SUPERVISED RECEIVERSHIP OF TURUSS
(CANADA) INDUSTRY CO., LTD.**

Stalking Horse Bidding Procedures

Capitalized terms not otherwise defined herein shall have meaning set forth in the Sale Process or Auction Procedures (each, as defined herein). The Sale will be completed by MNP Ltd. in its capacity as receiver of Turuss, appointed pursuant to a Receivership Order dated September 18, 2020 (the “**Receiver**”).

The Court has issued the following Orders in the receivership proceedings of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) in respect of a Court approved sale process (the “**Sale Process**”):

- (i) on October 29, 2020, the Court issued an Order (the “**Sale Process Order**”) authorizing the Sale Process in respect of the assets, undertaking and properties of Turuss including the real property and buildings located at 60 Industrial Park Road, Chesley, Ontario (the “**Property**”), with a bid deadline of January 11, 2021;
- (ii) on January 5, 2021, the Court issued an Order approving and authorizing an extension to the Deadline to February 26, 2021; and
- (iii) on March 26, 2021, the Court issued an Order (the “**Second Extension Order**”) approving and authorizing a further extension of the Deadline to April 16, 2021, and an auction procedures attached as Schedule “A” to the Second Extension Order (the “**Auction Procedures**”).

On April 14, 2021, the Court issued an order (the “**Stalking Horse Procedures Order**”) which, among other things:

- (i) supplemented and amended (where necessary and applicable) the existing Sale Process to accept, for the purpose of conducting a “stalking horse” solicitation process with respect to the Property (the “**Stalking Horse Process**”), an asset purchase agreement dated April 13th, 2021 (the “**Stalking Horse Bid**”) between the Receiver and Westmount Park Investments Inc. (the “**Stalking Horse Bidder**”);

- (ii) the payment of an inclusive break fee in the amount of \$100,000 (plus applicable HST) and an expense reimbursement in the amount of \$75,000 (plus applicable HST) (collectively, the “**Break Fee**”) by the Receiver to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid;
- (iii) approving and authorizing the stalking horse bidding procedures (the “**Stalking Horse Bidding Procedures**”); and
- (iv) further extend the Deadline to April 30, 2021.

Set forth below is the Stalking Horse Bidding Procedures to be employed with respect to the sale (the “**Sale**”) of the Property.

Subject to Court availability, within ten (10) business days following an auction (the “**Auction**”), if applicable, the Receiver shall bring a motion (the “**Approval Motion**”) seeking the granting of an approval and vesting order (the “**AVO**”) by the Court authorizing the Receiver to proceed with authorizing and approving the Sale of the Property to the Qualified Bidder making the Successful Offer (being, the Successful Offeror).

This Stalking Horse Bidding Procedures shall supplement and modify (where necessary) the Sale Process. In the event there is any conflict between any provision in the Sale Process, Auction Procedures or the Stalking Horse Bidding Procedures, the terms of this Stalking Horse Bidding Procedures shall govern and prevail.

Assets to Be Sold en bloc

The Receiver is offering for Sale all of the Turuss’ right, title and interest in and to all of the Property en bloc and only a bid for all the Property, in whole and not in part, can be eligible to be a Qualified Offer (as defined herein). The Receiver will be responsible for conducting the Stalking Horse Bidding Procedures and Auction Procedures (if applicable).

The Bidding Process

The Stalking Horse Procedures Order authorizes the Receiver to continue to market and sell the Property pursuant to Sales Process, as supplemented and modified pursuant the Stalking Horse Bidding Procedures. The Receiver shall have the right to adopt, modify and implement

such further and other rules and procedures (including rules and procedures that may depart from those set forth herein) that, in its reasonable business judgment, will enhance and improve the goals of the Stalking Horse Bidding Procedures provided, however, any material modifications shall require a further Order of the Court.

Participation Requirements

For clarity, a “**Qualified Offeror**” is a Prospective Offeror who submits a Binding Offer (as defined herein) in substantially the same form as the Stalking Horse Bid submitted in the form of the template APS, for a purchase price of at least \$6,675,000 and satisfies the Bid Requirements (as defined herein), as determined by the Receiver in its sole discretion. Any bid meeting these criteria that is received by the Receiver before the Deadline is a qualified offer (a “**Qualified Offer**”).

Bid Deadline

A Prospective Offeror that desires to make a bid shall deliver written copies of its bid and the Bid Requirements to the Receiver not later than 5:00 p.m. (local Toronto time) on the Deadline.

Bid Requirements

All binding bids and accompanying materials (other than the Stalking Horse Bid) (“**Binding Offers**”, and individually a “**Binding Offer**”) submitted by a Prospective Offeror must provide for the following, in addition to the requirements set forth in the Sale Process, unless any such requirement is waived by the Receiver (collectively, the “**Bid Requirements**”):

- (v) a base cash purchase price or transaction value equal to or greater than \$6,675,000, being the Stalking Horse Bid (\$6,500,000) plus the Break Fee of \$175,000 (the “**Base Purchase Price**”);
- (vi) delivery of the Binding Offer by the Prospective Offeror to the Receiver on or before the Deadline;
- (vii) 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 bidder’s financial ability to

perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;

- (viii) a provision stating that the Prospective Offeror's bid is irrevocably open for acceptance until the selection of the Successful Offeror;
- (ix) 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;
- (x) an acknowledgement and representation that the Prospective Offeror: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, (ii) 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;
- (xi) no conditions based 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 Prospective Offeror (as set out in the APS); and
- (xii) an executed copy of the APS and a blackline of the Prospective Offeror's proposed purchase agreement against the Stalking Horse Bid.

The Receiver reserves the right to determine the value of any Qualified Offer, and which Qualified Offer constitutes the best bid (the "**Lead Bid**"), for the purposes of the Auction (if applicable). Details of the Lead Bid will be provided by the Receiver to all Qualified Offerors after the Deadline and no later than 5:00p.m. (local Toronto Time) two (2) business days before the date scheduled for the Auction.

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.

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 Offer(s) to be a Qualified Offer.

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 Stalking Horse Bidding Procedures or Auction Procedures prior to the selection of a Successful Offeror.

Notwithstanding the Bid Requirements detailed above, the Stalking Horse Bid shall be deemed to be a Qualified Offer.

The Auction Process

If one or more Qualified Offers (other than that submitted by the Stalking Horse Bidder) have been received by the Receiver on or before the Deadline, the Receiver may implement the Auction. In the event the Receiver elects, in its discretion, to implement the Auction, the Receiver shall advise all Qualified Offerors of the Lead Bid and invite all Qualified Offerors (including the Stalking Horse Bidder) to attend the Auction to be conducted by the Receiver in accordance with the Auction Procedures (each invited Qualified Offeror being a "Selected Offeror", as defined in the Auction Procedures).

For greater certainty, the Auction shall be governed by the terms set out in the Auction Procedures.

If no Qualified Offer is submitted by the Deadline, then the Stalking Horse Bid shall be the Successful Offer, and the Stalking Horse Bidder shall be the Successful Offeror.

Highest versus Best Bid

In determining the Lead Bid or any Opening Bid, the highest and/or best bid during each round of bids, and the Successful Offer, the Receiver is not required to select the bid with the highest purchase price amount and may, exercising its reasonable business judgment, select another bidder on the basis that it is the best bid even though not the highest purchase price. Without limiting the foregoing, the Receiver may give such weight to the non-monetary considerations as it determines, exercising its reasonable business judgment, is appropriate and reasonable.

Break Fee and Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Receiver has agreed to pay the Stalking Horse Bidder, under the conditions outlined herein and in the Stalking Horse Bid, the Break Fee, in each case payable by the Receiver to the Stalking Horse Bidder only in the event that a Successful Offer other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and the associated transaction is completed.

Acceptance of Qualified Bids

The sale of the Property to any Successful Offeror by the Receiver is expressly conditional upon the approval of the Successful Offer by the Court at the hearing of the Approval Motion. The presentation of the Successful Offer to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Offer unless and until the Court approves the Successful Offer. The Receiver will be deemed to have accepted a Successful Offer bid only when the Successful Offer has been approved by the Court at the hearing on the Approval Motion.

Approval Motion

The Approval Motion shall, subject to court availability, be made returnable as soon as reasonably possible following the selection of the Successful Offer. The Receiver, in the exercise of its business judgement, reserves its right to the extent consistent with the Stalking Horse Bid to

change the date of the hearing of the Approval Motion in order to achieve the maximum value for the Property.

Miscellaneous

The Stalking Horse Bidding Procedures and Auction Procedures are solely for the benefit of the Receiver and nothing contained in the Sale Process Order, the Sale Process, the Stalking Horse Bidding Procedures, or the Auction Procedures shall create any rights in any other person (including, without limitation, any Prospective Offeror or Qualified Offeror, and any rights as third party beneficiaries or otherwise). The bid protections incorporated in the Stalking Horse Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.

Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Offers will be received, the Receiver, may terminate the Stalking Horse Bidding Procedures.

The Receiver may 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 Bid Requirements, or any order of the Court, or (iii) contrary to the best interests of the receivership estate. The Receiver shall have the right to modify the Stalking Horse Bidding Procedures, or impose additional terms and conditions on the sale of the Property, acting reasonably.

The Receiver shall not have any liability whatsoever to any person or party for any act or omission related to the Stalking Horse Bidding Procedures or Auction Procedures. 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.

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**ORDER
(Stalking Horse Agreement)**

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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 April 14, 2021)

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