

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

**APPLICATION RECORD
(Returnable September 18, 2020)**

September 4, 2020

GOWLING WLG (CANADA) LLP

Barristers and Solicitors

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Thomas Gertner (LSO# 67756S)

Tel: (416) 369-4618

Email: thomas.gertner@gowlingwlg.com

Lawyer for the Applicant

TO: The Attached Service List.

SERVICE LIST

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Jerry Henechowicz

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AND TO: YANG JIANG
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AND TO: YANG JIANG
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Ph 306
Toronto On M2n 6y7

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- Appendix “C” First Charge/Mortgage Granted to Pillar Capital Corp.
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TAB 1

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

BETWEEN:



PILLAR CAPITAL CORP.

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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

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Applicant. The claim made by the Applicant is set out on the following pages.

THIS APPLICATION will come on for a hearing **on September 18, 2020 at 10:00 a.m. via videoconference**, at the Courthouse located at 330 University Avenue, Toronto. Please refer to the conference details attached as Schedule "A" hereto. Please advise Thomas Gertner if you intend to join the hearing of this Application by emailing thomas.gertner@gowlingwlg.com.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: September 4, 2020

Issued by **Raymond D Williams**
Local Registrar

Digitally signed by Raymond D Williams
DN: c=ca, st=on, o=Government of
Ontario, ou=People,
serialNumber=DSAP256592,
cn=Raymond D Williams
Date: 2020.09.04 09:09:35 -0400

Address of Court Office:
330 University Avenue, 9th FL
Toronto, Ontario, Canada
M5G 1R7

TO: THE SERVICE LIST

1. **THE APPLICANT, MAKES APPLICATION FOR, *inter alia*:**
 - (a) An Order substantially in the form of Order attached at Tab 3 of the Application Record appointing MNP Ltd. as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the property, assets, and undertakings (collectively, the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) including the industrial building and associated lands municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario (collectively, the “**Industrial Facility**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1986, c B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43; and
 - (b) Such further and other relief as may be just and equitable.

2. **THE GROUNDS FOR THE APPLICATION ARE:**
 - (c) Pursuant to a loan agreement dated as of October 16, 2018, Pillar established a demand credit facility in the principal amount of \$3,9450,000 in favour of Turuss;
 - (d) As of September 4, 2020, Turuss is indebted to Pillar in the approximate amount of \$2,032,417.59 together with interest, fees, and other chargeable costs continuing to accrue (collectively, the “**Indebtedness**”);
 - (e) As security for the Indebtedness, Turuss provided Pillar with, among other things: (i.) a first charge/mortgage against the Industrial Facility in the principal amount of \$3,950,000; and (ii.) a general security agreement in respect of all of the personal property of Turuss;
 - (f) The outside date for repayment under the Loan Agreement (as extended) passed on January 24, 2020 (the “**Final Outside Date**”);

- (g) Notwithstanding the passage of the Final Outside Date, Turuss has failed to repay Pillar the Indebtedness;
 - (h) The principal of Turuss has ceased responding to correspondence and phone calls from Pillar;
 - (i) Turuss has failed to pay certain service providers needed for the day-to-day operation of the Industrial Facility;
 - (j) Significant municipal tax arrears appear to have arisen in connection with the Industrial Facility;
 - (k) It is just and convenient, at this time, for the Court to appoint a receiver and manager over the Property;
 - (l) The appointment, at this time, of the Receiver over the Property will create a transparent marketing process for the sale of the Property and a clear way forward for the repayment of amounts owed to the creditors of Turuss;
 - (m) Those other grounds set forth in the Affidavit of Steve Dizep sworn September 4, 2020 (the “**Dizep Affidavit**”);
 - (n) The provisions of the BIA, including Section 243;
 - (a) Section 101 of the CJA;
 - (b) Rules 1.04, 3.02, 16.04, 16.08, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, c. C.43; and
 - (c) Such further and other grounds as counsel may advise and this Honourable Court permit.
3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) The Dizep Affidavit and the exhibits thereto; and
- (b) Such further material as counsel may advise and this Honourable Court may permit.

Date: September 4, 2020

GOWLING WLG (CANADA) LLP
Barrister and Solicitors
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Thomas Gertner (LSO# 67756S)
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Email: thomas.gertner@gowlingwlg.com

Solicitors for the Applicant

SCHEDULE "A"

Join Zoom Meeting

<https://gowlingwlga.zoom.us/j/98350512677?pwd=WGkvdUt3eTlTQ2tnMXBwS0NtSkFwdz09>

Password: 522493

One tap mobile

+14388097799,,98350512677# Canada

+15873281099,,98350512677# Canada

Dial by your location

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

Find your local number: <https://gowlingwlga.zoom.us/u/abZe2i8Qrq>

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

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Solicitors for the Applicant

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
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AFFIDAVIT OF STEVE DIZEP

(Sworn September 4, 2020)

I, **STEVE DIZEP**, of the city of Calgary, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of the Applicant, Pillar Capital Corp. ("**Pillar**"). As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true. Where the information set out in this affidavit is based upon information that I have received from others, I have stated the source of that information and believe it to be true.

1. This affidavit is sworn in support of an application (the "**Application**") by Pillar to the Ontario Superior Court of Justice [Commercial List] (the "**Court**") for an Order (the

“**Appointment Order**”) appointing MNP Ltd. (“**MNP**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the property, assets, and undertakings (collectively, the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) including the industrial building and associated lands municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario (collectively, the “**Industrial Facility**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1986, c B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43.

2. As will be further explored below, Pillar is seeking the Appointment Order on the basis, among other things, that:

- (a) Turuss is in default of its obligations to Pillar under the Loan Agreement (as defined below);
- (b) The outside date for repayment under the Loan Agreement (as extended) expired on January 24, 2020;
- (c) The principal of Turuss has stopped responding to correspondence from Pillar and I am not aware of any plan in place for Turuss to repay Pillar in either the near or long term; and
- (d) Turuss has failed to pay certain service providers necessary for the continued day-to-day preservation and operation of the Industrial Facility.

I. DESCRIPTION OF THE PARTIES

3. Pillar is a privately held corporation in the business of originating and administering commercial loans across Canada.

4. I have been advised by Thomas Gertner (“**Mr. Gertner**”) an associate at Gowling WLG (Canada) LLP (“**Gowling WLG**”), counsel to Pillar, that Turuss is a privately owned corporation incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

5. A federal corporate profile for Turuss (the “**Corporate Profile Report**”) obtained from Corporations Canada with a file currency date of August 20, 2020, indicates that Yang Jiang (“**Ms. Jiang**”) is the sole director of Turuss and the Industrial Facility serves as the registered office for the company. Attached hereto and marked as **Exhibit “A”** is a true copy of the Corporate Profile Report.

6. Ms. Jiang has at all times served as Pillar’s contact point with Turuss. Other than the property manager for the Industrial Facility (the “**Property Manager**”), I am not aware of Turuss having any employees. I note that the Corporate Profile Report does not list Turuss as having any officers.

II. DESCRIPTION OF THE BUSINESS OF TURUSS

7. Historically, Turuss and certain related entities manufactured, imported and distributed hardwood flooring (the “**Flooring Business**”). The Industrial Facility was initially used or intended to be used, as part of the Flooring Business, specifically, as a location where some limited manufacturing would occur and flooring imported from China would be “finished” prior to being sold.

8. At the time Turuss approached Pillar to provide the Credit Facility (as defined below), the Industrial Facility was no longer being used as part of the Flooring Business. I understand that as of the date hereof, the Flooring Business is dormant and is not operational.

9. Given that the Flooring Business is no longer active, Turuss is now effectively a real estate holding company whose sole purpose appears to be to own and manage the Industrial Facility.

10. The Industrial Facility is approximately 340,000 square feet. 162,000 square feet of the Industrial Facility has been leased to and is currently occupied by Bruce Power L.P. (“**Bruce Power**”).

11. The remainder of the Industrial Facility has been leased by Turuss to Canada Northeastern Forest Inc. (“**CNFI**”). Under its lease with CNFI, Turuss has also leased certain equipment to CNFI.

12. Prior to the parties entering into the Loan Agreement, Pillar was advised by Ms. Jiang that CNFI and Turuss are related companies.

13. I have been advised by the Property Manager that CNFI has not been operating from the Industrial Facility since at or around April / May of 2020.

III. DESCRIPTION OF THE CREDIT FACILITY

14. Pursuant to a loan agreement dated as of October 16, 2018, Pillar established a demand credit facility in the principal amount of \$3,950,000 (the “**Credit Facility**”) in favour of Turuss, that was to be used, among other things, to refinance Turuss’s existing indebtedness with HSBC

Bank Canada (the “**Loan Agreement**”). Attached hereto and marked as **Exhibit “B”** is a true copy of the Loan Agreement.

15. Under the Loan Agreement the Credit Facility was intended to serve as short term bridge financing while Turuss continued to restructure its business and was originally repayable upon the earlier of demand and October 24, 2019 (the “**Original Outside Date**”).

16. As security for its indebtedness and liability to Pillar under the Loan Agreement, Turuss, among other things, provided Pillar with the following security:

- (a) a first charge/mortgage against the Industrial Facility in the principal amount of \$3,950,000 dated as of October 23, 2018 (the “**Pillar Charge / Mortgage**”);
- (b) a general assignment of rents and leases in respect of the Industrial Facility dated as of October 23, 2018 (the “**Pillar Assignment of Rents**”); and
- (c) a general security agreement in respect of all of the personal property of Turuss dated as of October 24, 2018 (the “**GSA**” together with the Pillar Charge/Mortgage and the Pillar Assignment of Rents, the “**Security**”).

Attached hereto and marked as **Exhibits “C”, “D”, and “E”** respectively are true copies of the Pillar Charge/Mortgage, the Pillar Assignment of Rents and the GSA.

17. Under the Loan Agreement, Pillar additionally obtained charge / mortgages against real property owned by certain individuals who were guarantors under the Loan Agreement (the “**Other Charge / Mortgages**”). The Other Charge / Mortgages were discharged as amounts owing under the Loan Agreement were paid down.

IV. REGISTRATIONS AGAINST THE INDUSTRIAL FACILITY

18. Prior to advancing funds under the Loan Agreement, Pillar registered the Pillar Charge / Mortgage against title to the Industrial Facility with the Land Registry Office in Ontario. Attached hereto and marked as **Exhibits “F”** are true copies of title searches obtained against the Industrial Facility (the “**Title Searches**”).

19. I have been advised by Gowling WLG that the Title Searches confirm that the Pillar Charge / Mortgage constitutes a first charge / mortgage against the Industrial Facility.

20. I note that the Title Searches indicate that a subordinate second ranking charge / mortgage in the amount of \$550,000 was registered against the Industrial Facility in favour of Kuo-Ton Hsieh on March 13, 2020 (the “**Second Charge / Mortgage**”). The Loan Agreement requires Pillar’s consent to the granting of any subordinate charge / mortgages. Pillar’s consent was not obtained prior to the granting of the Second Charge / Mortgage.

V. REGISTRATIONS UNDER THE PPSA

21. Pillar has also registered its security interest against Turuss’s personal property with the provincial registry maintained under the *Personal Property Security Act* (Ontario) R.S.O. 1990, c. P.10 (the “**PPSA**”). Attached hereto and marked as **Exhibit “G”** are true copies of Ontario PPSA searches against Turuss with a file currency date of August 6, 2020.

22. I have been further advised by Gowling WLG that there are no registrations under the PPSA against Turuss other than those registrations in favour of Pillar.

VI. PASSAGE OF OUTSIDE DATE FOR REPAYMENT UNDER THE LOAN

23. When the parties entered into the Loan Agreement, Pillar and Turuss originally contemplated that the Indebtedness (as defined below) would be repayable by the Original Outside Date (as noted above, October 24, 2019).

24. At / or around November of 2019, Turuss requested that Pillar extend the Original Outside Date, as it was having trouble obtaining refinancing sufficient to repay the bridge financing established under the Loan Agreement.

25. Pillar subsequently agreed to extend the outside date to December 24, 2019 (the “**First Extended Outside Date**”) on the terms set out in an email agreement dated as of November 15, 2019 (the “**First Email Extension Agreement**”). Attached hereto and marked as **Exhibit “H”** is a true copy of the First Email Extension Agreement.

26. After the expiry of the First Extended Outside Date, Pillar further extended the outside date to January 24, 2020 (the “**Final Outside Date**”) at the request of Turuss and in accordance with the terms of an email agreement dated as of December 30, 2019 (the “**Second Email Extension Agreement**”). Attached hereto and marked as **Exhibit “I”** is a true copy of the Second Email Extension Agreement.

27. Despite Pillar having expressed an initial willingness to further extend the outside date, the Final Outside Date passed on January 24, 2020, without further extension by the parties.

VII. TURUSS CEASES TO RESPOND TO CORRESPONDENCE FROM PILLAR

28. After the Final Outside Date passed, and starting at or around February of this year, Ms. Jiang generally stopped responding to emails and voicemails from representatives of Pillar. By way of example, attached hereto and marked as **Exhibit “J”** are true copies of emails from myself and other representatives of Pillar to Ms. Jiang between February of 2020 and June of 2020, all of which went unanswered.

29. On March 6, 2020, Gowling WLG, on behalf of Pillar issued (i) a formal demand letter to Turuss, demanding repayment of all amounts owing under the Loan Agreement (the “**Demand**”); and (ii) a notice of intention to enforce security under Section 244 of the BIA (the “**NITES**”). Attached hereto and marked as **Exhibit “K”** is a true copy of the Demand and the NITES.

30. Pillar has at no point retracted the Demand or the NITES.

VIII. PILLAR EXERCISES GENERAL ASSIGNMENT OF RENTS

31. Under the Loan Agreement, interest payments are payable monthly and have historically been paid by way of pre-authorized debits by Pillar of a bank account held by Turuss (**the “Account”**). On June 30, 2020, Pillar’s attempt to debit a monthly interest payment owed to it under the Loan Agreement (the “**June Payment**”) was declined on the basis that the Account did not have sufficient funds (“**NSF**”).

32. On July 3, 2020, my colleague Keaton O’Brien and I received an email (the “**Jiang July 3 Email**”) from Ms. Jiang’s email account (the “**Jiang Email Account**”). The sender of the Jiang July 3 Email identified herself as “Amy”. In the Jiang July 3 Email, Amy stated that Ms. Jiang was in China and did not have access to the Jiang Email Account and that Amy was taking care of her

emails. Amy requested that Pillar hold off from trying to re-debit the June Payment until July 6, 2020. Attached hereto and marked as **Exhibit “L”** is a true copy of the Jiang July 3 Email.

33. Neither myself nor Mr. O’Brien know who Amy is, and neither of us have previously communicated with Amy. All attempts to debit interest payments due to Pillar after July 6, 2020, have been returned NSF. We have not heard from Amy since the Jiang July 3 Email was received. As set out above we have not heard from Ms. Jiang directly since at or around February of 2020.

34. On July 16, 2020, Pillar exercised its right under the General Assignment of Rents and began collecting rent from Bruce Power in order to pay down amounts owed to it.

IX. STATE OF THE INDUSTRIAL PROPERTY

Property Insurance / Service Providers

35. At or around April of 2020, the property insurance policy that Turuss maintained for the Industrial Facility lapsed and was not replaced. This policy cost approximately \$163,000 per year to maintain.

36. I have been advised by the Property Manager that he has not seen or heard from Ms. Jiang since at or around July 17, 2020.

37. I have been further advised by the Property Manager that Turuss has ceased paying certain service providers that are required for the day-to-day operation and maintenance of the Industrial Facility.

38. Among others, I understand that Turuss has failed to pay when due: (i) Bell Canada (whose telecommunication network is required for the building’s alarm system); (ii) the installer of a video

camera security system (resulting in the installer failing to complete installation of this security system); (iii) the cleaning company used for the Industrial Facility; (iv) a third party trash removal service; and (v) the Property Manager, in his capacity as an employee of Turuss.

39. It is my belief that the failure by Turuss to pay these service providers could negatively effect the go-forward value of the Industrial Facility and the day-to-day operation of this property. It additionally could result in Turuss being in breach of its obligations to Bruce Power as lessor.

40. In order to preserve the value of the Industrial Facility until the Application for the appointment of the Receiver is heard, Pillar has coordinated payment of certain of these suppliers by way of protective disbursements pursuant to the Loan Agreement and the Security.

Other Arrears / Receiver's Certificates

41. In mid-July Pillar obtained municipal tax certificates in respect of the Industrial Facility (the "**Tax Certificates**"). The Tax Certificates indicate that municipal tax arrears have accrued in respect of the Industrial Facility in excess of \$250,000 as of the date of those certificates. Additional municipal taxes in the amount of approximately \$40,000 became due in late August, with an additional approximate \$40,000 scheduled to come due in October of 2020 (both of those amounts exclusive of interest and penalties that may be accruing). I understand that significant arrears are additionally owing for hydro and gas. Attached hereto and marked as **Exhibit "M"** are true copies of the Tax Certificates.

42. If the Honourable Court grants Pillar's Application to appoint the Receiver, Pillar intends to advance funds to the Receiver by way of receiver's certificates to help pay down the municipal

tax arrears (which are accruing interest at 1.25% per month), to acquire insurance for the Industrial Facility, and to fund general day-to-day operational expenses until the Industrial Facility is sold.

X. NEED FOR THE APPOINTMENT OF A RECEIVER

43. As of the date hereof, Turuss is indebted to Pillar in the approximate amount of \$2,032,417.59, together with interest, fees, and other chargeable costs continuing to accrue, including legal fees and disbursements (collectively, the “**Indebtedness**”).

44. As set out above, the Final Outside Date under the Loan Agreement passed on January 24, 2020 without repayment of the Indebtedness.

45. The statutory notice period provided for under the BIA and outlined in the Demand and the NITES has expired.

46. In light of, among other things, the amount of time that has passed since the Final Outside Date, and Ms. Jiang having ceased responding to communications from Pillar, Pillar has lost faith in Turuss’s ability to repay the Indebtedness.

47. It is my view that the appointment of a receiver and manager over the Property will create a transparent marketing process for the sale of the Property and a clear way forward for the repayment of amounts owed to the creditors of Turuss including Pillar.

48. It is additionally my belief that the appointment of a receiver and manager, will provide necessary stability in the day-to-day management of the Industrial Facility and preserve the value of this facility until it is sold.

49. It will also provide some certainty that Turuss will be able to meet its ongoing obligations to Bruce Power prior to a sale of the Industrial Facility.

50. If this Honourable Court sees fit to make such an appointment, MNP has consented to act as Court-appointed receiver of the Property. MNP is a licensed insolvency trustee and has significant experience in mandates of this nature. Attached hereto and marked as **Exhibit “N”** is a copy of MNP’s Consent to Act as receiver.

51. I have been advised by Jerry Henechowicz (“**Mr. Henechowicz**”), a senior vice-president at MNP with carriage of this matter, that, if appointed, the Receiver intends to return before the Court in the next 30-45 days to seek, among other things, approval of a sales process order for the marketing and sale of the Industrial Facility.

XI. DISTRIBUTION OF NET RENTAL INCOME UNDER THE PROPOSED RECEIVERSHIP ORDER

52. As part of the Appointment Order Pillar is seeking authorization for the Receiver to distribute to Pillar rental revenue received from the Industrial Facility.

53. I understand from Mr. Henechowicz that the Receiver will be filing with the Court a pre-appointment report which will provide the Court with an update on the Receiver’s independent counsel’s review of the validity and enforceability of the Pillar Security, subject to the customary qualifications and assumptions (the “**Pre-Appointment Report**”).

54. Pillar and the Receiver are additionally in the process of negotiating a reimbursement agreement, pursuant to which Pillar will agree to reimburse the Receiver, on demand, should it be determined at any point during the receivership that there are any claims ranking in priority to

Pillar's security. I further understand from Mr. Henechowicz that this reimbursement agreement will be attached to the Pre-Appointment Report.

XII. VALIDATION OF SERVICE UNDER PROPOSED RECEIVERSHIP ORDER

55. I am not aware of Ms. Jiang's current location and whether Ms. Jiang continues to reside in Canada.

56. Recent attempts by Pillar to contact Ms. Jiang by phone have immediately gone to voicemail, and Ms. Jiang's voicemail is full and not accepting further messages.

57. I understand Pillar's Application Record will be sent by email to the Jiang Email Account, as well as couriered to Turuss's registered head office.

58. In respect of the Jiang Email Account, I note that as recent as August 6, 2020, it appears Ms. Jiang has used this email address. Attached hereto and marked as **Exhibit "O"** is a true copy of email correspondence from Ms. Jiang from the Jiang Email Account to Bruce Power dated as of August 6, 2020.


59. I further note that in advance of the Application:

- (a) on August 27, 2020, Mr. Gertner wrote to Ms. Jiang by email to advise of the scheduling of the Application (the "**Jiang August 27 Email**"). I am advised by Mr. Gertner, that he has not, as of the date hereof, received a response to the Jiang August 27 Email. Attached hereto and marked as **Exhibit "P"** is a true copy of the Jiang August 27 Email; and

(b) On the same date, Mr. Gertner wrote by email to Turuss's former counsel Jennifer Li Professional Corporation ("JPC"), to advise of Pillar's intent to bring the Application (the "JPC August 27 Email"). By responding email, JPC notified Gowling WLG that it had not been retained in respect of the Application, it would not accept service, and it had not heard from Turuss in several weeks (the "JPC Responding Email"). Attached hereto and marked as Exhibit "Q" is a true copy of the JPC August 27 Email and the JPC Responding Email.

60. This Affidavit is sworn in support of Pillar's Application for the Appointment Order and for no other or improper purpose.

SWORN before me by video-conference at the City of Toronto,
in the Province of Ontario this 4th day
of September, 2020



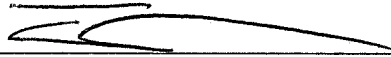
Commissioner for taking affidavits, etc.



STEVE DIZEP

TAB 2A

**THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**

A handwritten signature in black ink, consisting of several fluid, overlapping strokes.

A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#)

→ [Search for a Federal Corporation](#)

Federal Corporation Information - 836702-7

[Order copies of corporate documents](#)

i Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

Corporation Number

836702-7

Business Number (BN)

836795716RC0002

Corporate Name

TURUSS (CANADA) INDUSTRY CO., LTD.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2012-12-19

[Order a Corporate Profile PDF Readers](#)

Registered Office Address

60 Industrial Park Road
Chesley ON N0G 1L0
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors**Minimum** 1**Maximum** 10

YANG JIANG
 33 EMPRESS AVENUE
 PH 306
 TORONTO ON M2N 6Y7
 Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings**Anniversary Date (MM-DD)**

12-19

Date of Last Annual Meeting

2018-03-31

Annual Filing Period (MM-DD)

12-19 to 02-17

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2020 - Not due

2019 - Filed

2018 - Filed

Corporate History

Corporate Name History

2012-12-19 to Present TURUSS (CANADA) INDUSTRY CO., LTD.

Certificates and Filings

Certificate of Amalgamation

2012-12-19

Corporations amalgamated:

- 7742053 7742053 Canada Inc.
- 7845502 GREEN HARDWOOD FLOORING INC.
- 8194645 CHESLEY GRS FLOORING LTD.
- 7837925 GRS WOOD PRODUCTS INC.
- 8194661 GRS INVESTMENT INC.

[Order copies of corporate documents](#)

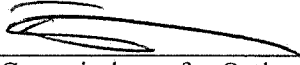
Start New Search

Date Modified:

2020-07-22

TAB 2B

**THIS IS EXHIBIT "B"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

LOAN AGREEMENT
(Demand Facility)

THIS AGREEMENT made as of the 16th day of October, 2018 (the “**Effective Date**”)

BETWEEN:

PILLAR CAPITAL CORP., a corporation incorporated pursuant to the laws of the Province of Alberta;

(hereinafter referred to as the “**Lender**”)

- and -

TURUSS (CANADA) INDUSTRY CO. LTD., a corporation incorporated pursuant to the laws of the Province of Ontario;

(hereinafter referred to as the “**Borrower**”)

RECITALS:

- A.** The Borrower has requested that the Lender provide a loan facility more particularly described in this Agreement, to be available and used for the purposes specified in this Agreement.
- B.** The Lender has agreed to provide the Borrower with such loan facility upon and subject to the terms and conditions herein set forth.

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

ARTICLE 1
DEFINITIONS

1.1 Definitions:

In this Agreement, including, without limitation, in the recitals to this Agreement, the following capitalized words, terms and expressions have the respective meanings set out below:

- (a) “**Advance**” means an advance of funds by the Lender under the Demand Facility;
- (b) “**Advance Date**” means the date of the Advance under the Demand Facility;
- (c) “**Affiliate**” shall mean, with respect to any person, any other person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such person, and includes any person in like relation to an Affiliate. A person shall be deemed to control another person if such first person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, whether through the ownership of voting securities, by contract or otherwise;

- (d) “**Agreement**”, “**this Agreement**”, “**hereto**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions used herein shall refer to the whole of this Agreement and any schedule hereto, as amended from time to time;
- (e) “**Applicable Law**” shall mean, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgement, decree, treaty, directive or other requirement having the force of law relating or applicable to such person, property, transaction, event or other matter, and shall also include any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;
- (f) “**Borrower**” means Turuss (Canada) Industry Co. Ltd. and its successors and permitted assigns;
- (g) “**Borrower’s Counsel**” means Richard Leblanc of Miller Thomson LLP;
- (h) “**Borrowing Limit**” has the meaning given to it in Section 2.1(f);
- (i) “**Business Day**” means each day other than a Saturday, Sunday or any day on which the chartered banks are not open for business in the Province of Alberta;
- (j) “**Canadian Dollars**” or “**Cdn.**” means lawful money of Canada;
- (k) “**Change of Control**” means if the Shareholders cease to own, legally and beneficially, 100% of the issued and outstanding voting shares of the Borrower;
- (l) “**Contractual Obligation**” means, with respect to any Person, any provision or any agreement, instrument, undertaking or other obligation to which such person is a party or by which it or any of its property is bound;
- (m) “**Corporate Guarantor**” means 10936782 Canada Inc.;
- (n) “**Damages**” in respect of any matter, means all claims, demands, proceedings, losses, damages (including special, incidental and/or consequential damages such as, but not limited to loss of profit, loss of business revenue and failure to realize expected profits or savings), liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;
- (o) “**Default**” means any event, act or condition which with the giving of notice or lapse of time, or both, would constitute an Event of Default;
- (p) “**Demand Facility**” has the meaning given to it in Section 2.1;
- (q) “**Environmental Health and Safety Liabilities**” means any liability or damages, including, without limitation, any bodily injury, personal injury, property damage, damage to or of any Person, or on-site or off-site contamination of any real property and any consequence thereof, arising out of or relating to Environmental Laws or the presence, management, use, storage, disposal, release, discharge, distribution or processing of Hazardous Materials or Hazardous Substance;
- (r) “**Environmental Laws**” means all Applicable Law in respect of the natural environment, public or occupational health or safety, and the manufacture, importation, handling,

transportation, storage, disposal and treatment of Hazardous Materials or Hazardous Substances;

- (s) **“Equipment”** means the equipment described in Schedule “2” annexed hereto;
- (t) **“Event of Default”** means any one of the Events of Default set out in Article 6 hereof;
- (u) **“Facility Fee”** has the meaning given to it in Section 2.4;
- (v) **“Final Payment Date”** has the meaning given to it in Section 2.1(b);
- (w) **“GAAP”** means those generally accepted accounting principles as approved by the Canadian Institute of Chartered Accountants that are in effect from time to time;
- (x) **“Guarantors”** means the Corporate Guarantor, Yang Jiang (**“Yang”**) and Rui Yang (**“Rui”**);
- (y) **“Hazardous Materials”** means any wastes, soil, excavated or reclaimed soil or debris and includes materials, substances or pollutants, whether or not hazardous or toxic (including petroleum products, polychlorinated biphenyls (**“PCBs”**), asbestos or asbestos-containing materials and radioactive materials), the presence, management, use, storage, disposal, release, discharge, distribution or processing of which is regulated by or could give rise to liability under Environmental Laws;
- (z) **“Hazardous Substance”** means any solid, liquid, gas, odour, heat, sound, vibration or radiation, or combination thereof, that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual;
- (aa) **“Insurance”** means the insurance required to be kept and maintained by the Borrower pursuant to Article 7 hereof;
- (bb) **“Investment”** shall mean, with respect to any Person, any direct or indirect investment in, or purchase or other acquisition of the securities of, or an equity interest in any other Person, any loan or advance to, or arrangement for the purpose of providing funds or credit to (excluding extensions of trade credit in the ordinary course of business in accordance with customary commercial terms), or capital contribution to (whether by means of a transfer of cash or other property or any payment for property or service for the account or use of) any other Person, or any purchase or other acquisition of all or substantially all of the property of any other Person;
- (cc) **“Lands”** means those lands set out in Schedule “5” attached hereto;
- (dd) **“Lender”** means Pillar Capital Corp. and its successors and assigns;
- (ee) **“Lending Margin”** has the meaning given to it in Section 2.1(e);
- (ff) **“Lender’s Counsel”** means Gowling WLG (Canada) LLP;
- (gg) **“Loan”** shall mean the aggregate of all advance(s) made under the Demand Facility from time to time;
- (hh) **“Loan Amount”** means, at any point in time, the principal amount of the Loan then outstanding and unpaid, whether or not then due

- (ii) “**Material Adverse Effect**” means any change, condition, event or occurrence, as determined by the Lender, in its sole and absolute discretion, in respect of the Borrower (including its Subsidiaries) or the Guarantors or the Equipment or other collateral granted under the Security Documents or any of them that, individually or in the aggregate, has been, or could reasonably constitute or be expected to constitute a material adverse change which involves a reasonable possibility of any change, condition, event or occurrence which, when considered either individually or together with all other changes, conditions, events or occurrences, could reasonably be expected to materially and adversely affect the financial condition, results of operations, business, assets, capital or prospects of the Borrower (including its Subsidiaries) or the Guarantors or a material adverse effect on the ability of the Borrower (including its Subsidiaries) or the Guarantors to perform its obligations under any of the Security Documents, or impede materially the value of the collateral as determined by the Lender in its sole and absolute discretion; for the purpose of greater certainty, a Material Adverse Effect includes, but is not limited to, any actions, suits or proceedings, pending or, threatened other than suits or proceedings involving a claim of less than \$25,000;
- (jj) “**Maximum Amount**” has the meaning given to it in Section 2.1;
- (kk) “**Minimum Fee**” shall mean \$177,750.00;
- (ll) “**Minimum Term**” shall mean a period of three (3) months;
- (mm) “**Permit**” has the meaning given to it in Section 4.1(n);
- (nn) “**Permitted Encumbrances**” means those encumbrances set out in Schedule “1” annexed hereto;
- (oo) “**Person**” is to be broadly interpreted and shall include an individual, a corporation, a partnership, a trust, an unincorporated organization, a joint venture, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (pp) “**Release**” is to be broadly interpreted and shall include an actual, impending or potential discharge, deposit, spill, leak, pumping, pouring, emission, emptying, injection, escape, leaching, seepage or disposal of a Hazardous Substance which is or may become or might constitute a breach of any Environmental Laws;
- (qq) “**Required Consents**” means any consent that would be required pursuant to any license or user agreement between the Borrower and another person in order to grant a security interest in the subject matter thereof to the Lender in the ranking and priority required by the Lender;
- (rr) “**Restricted Payment**” means, with respect to any Person, any payment to such Person (i) of any dividends, withdrawals of capital or other payments of any kind on or in respect of any shares of its capital, (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of its capital or any warrants, options or rights to acquire any such shares, or the making by such persons of any other distribution in respect of any shares of its capital, (iii) of any principal of or interest or premium on or of any amount in respect of a sinking or analogous fund or defeasance fund for any debt or liability of such person ranking in right of payment subordinate to any liability of such

Person under the Security Documents, (iv) in respect of an Investment, or (v) of any management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Affiliate of such person or to any shareholder, director or officer thereof;

- (ss) “**Security Documents**” means those documents referred to in Section 3.1 hereof; and
- (tt) “**Term Sheet**” means the term sheet from the Lender to the Borrower dated October 15, 2018.

1.2 **Schedules:**

The following schedules are attached hereto and are incorporated in and deemed to be an integral part of this Agreement:

Schedule “1”	Permitted Encumbrances
Schedule “2”	Equipment
Schedule “3”	Postponement/Subordination/No Interest Letter Requirements
Schedule “4”	Debt Required to be paid out on Closing
Schedule “5”	Lands
Schedule “6”	Additional Closing Deliverables

ARTICLE 2 **DEMAND FACILITY**

2.1 **Demand Loan Facility Established:**

In reliance upon the representations, warranties and covenants of the Borrower herein contained and subject to the terms and conditions herein set forth, the Lender hereby establishes in favour of the Borrower a demand loan facility to be utilized to provide bridge financing to refinance existing debt with HSBC and payout outstanding amounts due and owing to the Canadian Revenue Agency (the “**Demand Facility**”), up to a maximum amount of Three Million Nine Hundred Fifty Thousand (\$3,950,000.00) Dollars (the “**Maximum Amount**”), on the following terms:

- (a) The Demand Facility is to be advanced upon satisfaction of the conditions contained in this Agreement and satisfactory due diligence review by the Lender;
- (b) The Demand Facility, all interest payable thereon, and all other fees and/or other amounts payable in respect hereof, is payable on the earlier of demand or twelve (12) months from the Advance Date (the “**Final Payment Date**”).
- (c) Prior to demand, monthly interest only payments shall be made on the last Business Day of each and every month until the Final Payment Date with a balloon payment of any amount outstanding on the Final Payment Date.
- (d) Notwithstanding any other payment dates specified herein or any other provision hereof, the outstanding Loan Amount under the Demand Facility is due and payable on demand and the right of the Lender to make partial or full demands hereunder is absolute and unconditional notwithstanding the inclusion of covenants, representations, warranties and any Event of Default. Subject to the Lender’s right to make a demand for payment at any

time, the Demand Facility shall be a twelve (12) month term facility and shall have a minimum initial term equal to the Minimum Term. The Borrower shall have the right to permanently repay the Demand Facility in full at any time after the Minimum Term without bonus or penalty assuming no Event of Default has occurred.

- (e) The “**Lending Margin**” shall be calculated as 75% of the forced liquidation value of the Borrower's assets (less the amount of any charges, liens or encumbrances ranking in priority to the Lender's charges) as determined by an appraiser acceptable to the Lender subject to such adjustments as may be determined, from time to time, based upon, *inter alia*, any physical inspection of such assets.
- (f) The outstanding Loan Amount shall not at any time exceed the lesser of the Maximum Amount and the Lending Margin (the “**Borrowing Limit**”). No draw-down of an Advance shall be permitted if, after the Advance, the outstanding Loan Amount would exceed the Borrowing Limit.
- (g) Any payment of principal or interest hereunder shall be made payable to or to the order of the Lender or to such Person or Persons as the Lender may from time to time in writing direct.
- (h) Notwithstanding anything to the contrary herein, any partial or late payments shall be applied against any part of the indebtedness owing hereunder by the Borrower to the Lender as the Lender may see fit in its sole and absolute discretion and the Lender shall at all times and from time to time have the right to change any application of any late or partial payment received by it and to re-apply the same on any part or parts of such indebtedness as the Lender may see fit in its sole and absolute discretion, notwithstanding any previous application.
- (i) All payments hereunder shall be made at the Lender's office in Calgary, Alberta as set out in Section 9.1 hereof prior to 2:00 p.m. (Calgary time). Any payments received by the Lender after 2:00 p.m. (Calgary time) on the day payable shall be deemed to have been made and to have been received by the Lender on the next Business Day;
- (j) In the event that any provision of this Agreement would oblige the Borrower to make any payment of interest or any other payment that is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate that would be prohibited by law or would result in a receipt by Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary, (i) firstly, by reducing the amount or rate of interest otherwise required to be paid under Section 2.2 thereafter, by reducing any fees, commissions, premiums and other amounts that would constitute interest for the purposes of section 347 of the *Criminal Code* (Canada). If, notwithstanding the provisions of this Section 2.1(j) and after giving effect to all adjustments contemplated thereby, the Lender shall have received an amount in excess of the maximum permitted by the *Criminal Code* (Canada), then such excess shall be applied by the Lender to the reduction of the principal balance of the Loan outstanding and not to the payment of interest or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrower. Any amount or rate of interest referred to in this Section 2.1(j) shall be determined in accordance with generally accepted actuarial practices and principles at an

effective annual rate of interest over the term of this Agreement on the assumption that any charges, fees or expenses that fall within the meaning of “interest” (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the terms of this Agreement and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive for the purposes of such determination.

- (k) Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest “per annum” or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.
- (l) For the purposes of the *Interest Act* (Canada) and disclosure under such act, whenever interest to be paid under this Agreement is to be calculated on the basis of a year of 365 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 365 days or such other period of time, as the case may be.

2.2 Interest:

Interest on the Demand Facility shall be calculated at the rate of Eighteen (18%) Percent per annum, compounded monthly, on the daily balance outstanding under the Demand Facility (being an effective annual rate of 19.562%) (the “**Base Rate**”); provided that in the event the Borrower fails to make any payment of principal, interest or any amounts otherwise owing when due, or commits any act of default as set out in this Agreement, interest on the Demand Facility shall instead be calculated at the rate of Thirty (30%) Percent per annum, compounded monthly, on the daily balance outstanding under the Demand Facility (being an effective annual rate of 34.489%) commencing from the date of the last payment date on which no payments were overdue and continuing until such time as all amounts due and owing have been paid, after which interest shall revert to the Base Rate. Interest shall be calculated monthly in arrears, before and after maturity, default or judgment, with interest on overdue interest calculated in the same manner at any time on the daily balance outstanding at the same rate based on the actual number of days lapsed divided by 365.

2.3 Legal Fees:

In connection with the Demand Facility, the Borrower shall pay to the Lender all reasonable legal, financial and other advisory fees and disbursements (on a full indemnity basis) of the Lender in connection with the completion of the transactions contemplated herein and includes, without limitation, the drafting, preparation and negotiation of the agreements and other documents governing this transaction, advising the Lender thereon and closing and reporting upon the completion of the transaction, shall be borne by the Borrower and shall be payable on the Advance Date. Such fees and disbursements are payable whether or not the Demand Facility is completed or funds are advanced in connection therewith and shall be secured by the Security Documents.

2.4 Demand Facility Fee:

In connection with the Demand Facility, the Borrower shall pay to the Lender a facility fee equal to Two (2%) Percent of the Maximum Amount (the “**Facility Fee**”), deductible from the proposed advance upon closing. In addition to the Facility Fee, a monthly monitoring fee of One Thousand (\$1,000.00) Dollars is due and payable on the last Business Day of each calendar month while any amount advanced under the

Demand Facility remains outstanding (the “**Monitoring Fee**”). An amount equivalent to the Monitoring Fee payable for the Minimum Term will be deducted from the proposed advance upon closing. In addition, the Borrower covenants and agrees that the Lender shall earn an amount of interest on the outstanding Advances at least equal to the Minimum Fee, and if such amount is not earned on or before the termination of this Agreement or the payment in full of the Demand Facility, the balance owing on account of the Minimum Fee shall be added to the Loan Amount. Notwithstanding the foregoing, the Minimum Fee shall not be payable in the event that there is no Event of Default, but the Lender makes demand for repayment of the Demand Facility prior to the end of the Minimum Term.

2.5 Due Diligence Fee:

In connection with the Demand Facility, the Borrower shall pay to the Lender a non-refundable, except as provided herein, due diligence/appraisal fee of Six Thousand Two Hundred Fifty (\$6,250.00) Dollars (the “**Due Diligence Fee**”) on acceptance of the Term Sheet. The Due Diligence Fee was earned upon acceptance of the Term Sheet by the Borrower and is payable whether or not the Demand Facility is completed or funds are advanced in connection therewith and shall be secured by the Security Documents. The Due Diligence Fee shall, however, be refundable to the Borrower in the full amount pending the successful liquidation of the Equipment by the Lender.

2.6 Proof of Loan Amount:

The Borrower acknowledges that the recording by the Lender of an Advance and any principal, interest, fees, payments or other amounts owing or received under this Agreement in an account opened and maintained by the Lender in respect thereof shall constitute, in the absence of manifest error, conclusive evidence of the Borrower’s indebtedness and liability at any time and from time to time under this Agreement; provided that the failure of the Lender to record any amount in such account shall not affect the obligation of the Borrower to pay or repay such indebtedness and liability in accordance with the terms of this Agreement.

2.7 Pre-Conditions to the Advance:

The Lender shall not be obliged to make the Advance unless and until each of the following conditions has been fulfilled, satisfied and performed in a manner completely satisfactory to the Lender and its counsel in all respects:

- (a) all of the Security Documents, each in form and substance satisfactory to and approved by the Lender and the Lender’s Counsel, shall have been executed by such Persons as are duly authorized to execute such documents and the Lender shall be satisfied that such Persons have been so duly authorized and such documents shall have been delivered to the Lender’s Counsel and filed and registered as the Lender’s Counsel may consider necessary or advisable;
- (b) the Lender shall have received opinions of the Borrower’s Counsel addressed to the Lender and the Lender’s Counsel with respect to the due authorization, execution and delivery of the Security Documents by the Borrower, and containing such other opinions as the Lender and the Lender’s Counsel consider appropriate, all in form and substance satisfactory to the Lender and the Lender’s Counsel acting reasonably;
- (c) each of the covenants and agreements set out in this Agreement shall have been performed, fulfilled and satisfied, no Event of Default shall have occurred and continue to subsist and no event or circumstance shall have occurred and no condition shall exist which will result, either immediately, or with the lapse of time or giving of notice or both, in the occurrence or existence of an Event of Default;

- (d) each of the warranties and representations made by the Borrower in this Agreement, in any of the Security Documents and in any other document, material, information or report supplied or delivered in connection with the Demand Facility to the Lender, the Lender's Counsel or representatives of the Lender shall be true and correct on the Advance Date with the same effect as if such representations and warranties had been made on and as of the Advance Date, and the Borrower shall have delivered to the Lender a certificate of a senior officer of the Borrower to such effect;
- (e) no Material Adverse Effect shall have occurred;
- (f) the Lender shall have received such financial and other information in respect of the Borrower as may be reasonably required by the Lender;
- (g) the Lender shall have received Certificates of Insurance in form and substance acceptable to the Lender, together with evidence satisfactory to the Lender that each policy of insurance is in full force, that all premiums which are due have been paid and that no claims have been made thereunder or, if any claims have been made, written notice of such claims has been given to the Lender and that coverage of such risks and perils as stipulated in Article 7 have been effected and are in force;
- (h) the Lender shall have received evidence, satisfactory to it, of its first priority charge against all of the property, assets and undertaking of the Borrower, subject only to the Permitted Encumbrances and satisfactory confirmation that all rents payable, periodic payments owing to prior ranking secured creditors (if any) and all statutory priority claims (including, without limitation, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances, employee source deductions (i.e., income tax, pension plan contributions and employment insurance premiums etc.) have been paid up to date and have no claim against the property, assets and undertaking of the Borrower;
- (i) the Lender shall have received landlord's consents and waivers from any Person from whom the Borrower has obtained a leasehold interest in real property, each in form and substance satisfactory to the Lender acting reasonably;
- (j) the Borrower shall have received all third party consents or approvals required by the Lender to be obtained or pursuant to any agreement, instrument, Court order or document by which the Borrower is bound and under which consent or approval from a third party is required as a result of the Borrower entering into this Agreement or in connection with the Borrower completing the transactions contemplated herein;
- (k) the Lender shall have received duly executed priority agreements, postponement and subordination agreements or no interest letters, satisfactory to the Lender, from the parties set out in Schedule "3" hereto annexed, or such parties shall have discharged or postponed, or agreed to discharge or postpone in a form satisfactory to Lender's Counsel, their charges or security interest upon the Advance by the Lender;
- (l) the debt referred to in Schedule "4" annexed hereto shall be repaid in full simultaneously with the obtaining of the Advance by the Borrower;
- (m) the documentation and deliverables referred to in Schedule "6" annexed hereto shall be delivered contemporaneously with the Advance;

- (n) the Lender shall be satisfied that the Borrower has complied with and is continuing to comply with all applicable federal, provincial and municipal laws, regulations and policies in relation to its activities;
- (o) the Lender shall be satisfied that there are no mortgages, charges, security interests or other encumbrances ranking ahead of the Lender's security in the assets of the Borrower except for Permitted Encumbrances and for those disclosed to and approved, in writing, by the Lender, and the Lender, through Lender's Counsel, shall upon all pre-conditions being satisfied, forward the Advance to Borrower's Counsel on trust conditions satisfactory to Lender's Counsel and Borrower's Counsel;
- (p) the Borrower has retained a payroll service to remit all payroll related payments including service deductions (if applicable);
- (q) the Lender shall have received the insurance policy and proceeds thereof in respect of the Borrower and its assets; and
- (r) the Lender shall have received such other documentation as the Lender or the Lender's Counsel may reasonably require.

Each of the conditions set forth in this Section 2.7 is for the exclusive benefit of the Lender and unless waived in writing by the Lender shall be fulfilled, satisfied and performed by the Borrower.

ARTICLE 3 **SECURITY**

3.1 Security Documents:

As security for the timely repayment of the Loan and the due and punctual payment and performance of this Agreement and all other indebtedness, liabilities and obligations of the Borrower to the Lender under, arising out of or from this Agreement or any other agreement, both present and future direct or indirect, absolute or contingent, matured or otherwise, or howsoever arising, the Borrower shall deliver to the Lender on or before the Advance Date (unless otherwise indicated) the following documents, each in form and content satisfactory to the Lender:

- (a) promissory note granted by the Borrower in the Maximum Amount;
- (b) a first position mortgage over the Chesley Lands to be granted by the Borrower in the amount of the Maximum Amount;
- (c) a second position mortgage over the North York Lands to be granted by the Borrower in the amount of the Maximum Amount;
- (d) a general assignment of rents and leases over the Lands to be granted by the Borrower;
- (e) general security agreement to be granted by the Borrower creating a first priority charge over all present and after-acquired personal property of the Borrower, including the Equipment described in Schedule "2" hereto, subject only to the Permitted Encumbrances;
- (f) guarantees and postponements of claims to be granted by the Guarantors in respect of the obligations owed by the Borrower to the Lender;

- (g) general security agreement to be granted by the Guarantors in favour of the Lender creating a charge over specific equipment and all present and after-acquired property, assets and undertakings of the Guarantors subject only to the Permitted Encumbrances;
- (h) evidence of an assignment to the Lender of the rights, benefits and interest of the Borrower in and to the Insurance and all proceeds resulting therefrom, together with (i) an endorsement from the insurers in form and content satisfactory to the Lender showing that all proceeds arising from such Insurance shall be payable to the Lender as first-loss and second-loss payee, as applicable, with respect to the Lands, (ii) a standard mortgage clause or endorsement approved by the Insurance Bureau of Canada, including, without limitation, the requirement for the insurer to give the Lender at least 30 days prior written notice of any alternation in the terms of such policies or of the cancellation thereof; and (iii) evidence satisfactory to the Lender that the insurance is in effect on or prior to the advance of the Loan; and
- (i) such other documents, agreements, instruments, undertakings and assurances as the Lender or the Lender's Counsel, acting reasonably, may deem necessary or advisable in connection with, relating to or arising from or to give effect to or better assure the foregoing Security Documents.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Borrower's Representations and Warranties:

In order to induce the Lender to enter into this Agreement and to make available the Loan and to advance the Loan, the Borrower makes the following representations and warranties to the Lender as at the date hereof:

- (a) No Conflict with Laws or Agreements: Neither the execution nor the delivery of this Agreement by the Borrower, nor the consummation by it of the transactions herein contemplated, nor the compliance by it with the terms, conditions and provisions hereof will conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any agreement, instrument or arrangement to which the Borrower is a party, or by which any of its property is or may be bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Borrower;
 - (ii) any judgment, order, writ, injunction or decree of any court, relating to the Borrower; or
 - (iii) any Applicable Law relating to the Borrower, or its properties or assets.
- (b) Agreement Binding: This Agreement constitutes a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject to applicable laws relating to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

- (c) Litigation: There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened, at law or in equity or before any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator or mediator of any kind, which involve a reasonable possibility of any material adverse change in the financial condition of the Borrower and, to the best knowledge of the Borrower, the Borrower is not in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court, arbitrator or mediator or federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.
- (d) Information Provided: All information, data and reports (financial or otherwise) furnished by or on behalf of the Borrower to induce the Lender to enter into this Agreement were true, accurate and complete in all material respects at the time that they were furnished to the Lender and continue to be true as of the date hereof.
- (e) Disclosure: None of the representations and warranties made herein and no document furnished by or on behalf of the Borrower to the Lender in connection with the transactions contemplated herein contain any untrue statement of a material fact or omit to state any material fact necessary to make any such statement or representation not misleading to the Lender and there are no facts directly relating to the Borrower, not disclosed herein or otherwise disclosed in writing to the Lender which, if known to the Lender, might reasonably be expected to deter the Lender from completing the transactions contemplated in this Agreement.
- (f) No Assignment: Other than for the Permitted Encumbrances, there has been no assignment, sale, transfer, conveyance, mortgage, charge, pledge or hypothecation, absolute or contingent, direct or indirect, of the whole or any part of the Borrower's rights, title and interest in any of its properties or assets.
- (g) Consent: The entering into of this Agreement and all documents referred to herein or contemplated hereby do not require any consent, approval or authorization of any other Person, other than Required Consents.
- (h) Maintain Insurance: The Borrower is maintaining the insurance required herewith in full force and effect.
- (i) Financial Statements: The financial statements of the Borrower which have been furnished to the Lender pursuant to this Agreement or in connection with the Borrower's request for credit, present fairly the financial condition of the Borrower and have been prepared in accordance with generally accepted accounting principles consistently applied and there has been no material adverse change in the financial condition of the Borrower since the date of such statements. The Borrower does not have any liability (contingent or otherwise) or other obligations for the payment of money of the type required to be disclosed in accordance with generally accepted accounting principles which are not disclosed on such financial statements.
- (j) Good Standing of the Permitted Encumbrances: Each of the Permitted Encumbrances is in good standing, has been fully complied with and there are no continuing or pending defaults or events which with the passage of time would become a default or event of default by the Borrower thereunder.
- (k) Ownership: The Borrower owns and has all right, title and interest in and to all of its assets, machinery, equipment including, but not limited to, the Equipment, and has the

authority to grant security therein to the Lender free of all security interests, mortgages, liens, claims, charges or other encumbrances in favour of any other person other than the Permitted Encumbrances.

- (l) Statutory Claims, etc.: Any and all rents payable, periodic payments owing to prior secured creditors (if any) and any and all statutory priority claims (including, without limitation, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances, employee source deductions payable to Canada Revenue Agency (i.e., income tax, pension plan contributions, and employment insurance premiums, etc.) have been paid in full and/or set aside for remittance when due (as the case may be) as of the date hereof.
- (m) Tax Status: The Borrower has filed all tax returns which are required to be filed by it, and has paid when required by Applicable Law all taxes (if any) which have become due as shown on such returns or on any assessment received by it; the income tax liability of the Borrower has been assessed for all financial years to and including the financial year included in the most recent financial statements of the Borrower delivered to the Lender; and there is no material outstanding matter of dispute or difference between the Borrower and any federal, provincial, state, territorial or municipal taxing authority, agency or department.
- (n) Permits: The Borrower holds in good standing all permits, licences, approvals, franchises, rights-of-way, easements and entitlements (collectively, "**Permits**") which they require, or is required by Applicable Law, to hold, own, lease, license or use the property included in the business carried on by it and to carry on such business, except for such Permits the absence of which do not affect its or its rights to carry on business in such jurisdiction and, has not had, and which does not have a reasonable possibility of having, a Material Adverse Effect.
- (o) Environmental Matters: The Borrower specifically represents and warrants that, the business carried on and the properties owned or used at any time by the Borrower (including the lands owned or occupied by any of them and the waters on or under the lands) have at all times been carried on, owned, possessed or used in compliance with all Environmental Laws; the Borrower is not subject to any proceedings alleging the violation of any Environmental Law, and no part of its businesses or properties is the subject of any proceeding to evaluate whether remedial action is needed as a result of the Release of or presence of any Hazardous Substance on any lands owned or occupied by them; there are no circumstances that could reasonably be expected to give rise to any civil or criminal proceedings or liability regarding the Release of or presence of any Hazardous Substance on any lands used in, possessed, or related to the business or property of the Borrower or on any lands on which the Borrower has disposed or arranged for the disposal of any materials arising from the business carried on by it, or regarding the violation of any Environmental Law by the Borrower or by any other Person for which any of them is responsible; all Hazardous Substances possessed, disposed of, treated or stored on lands owned, possessed or occupied by the Borrower have been possessed, disposed of, treated and stored in compliance with all Environmental Laws; there are no proceedings and there are no circumstances or facts which could give rise to any proceeding in which it is or could be alleged that the Borrower is responsible for any domestic or foreign clean up or remediation of lands contaminated by Hazardous Substances or for any other remedial or corrective action under any Environmental Laws; the Borrower and its Subsidiaries have maintained all environmental and operating documents and records relating to their businesses and

property in the manner and for the time periods required by any Environmental Laws and none of the lands have been subjected to an environmental audit and the Borrower is not aware of any pending or proposed changes to any Environmental Laws which would render illegal or materially adversely affect its business, properties or opportunities.

ARTICLE 5 **COVENANTS**

5.1 Affirmative Covenants:

The Borrower covenants and agrees with the Lender, as follows:

- (a) **Perform Obligations:** The Borrower shall fully observe and perform its obligations under this Agreement, the Security Documents and all other agreements and documentation delivered hereunder, including, without limitation, duly and punctually paying all amounts payable by the Borrower.
- (b) **Compliance with Law:** The Borrower shall comply, in all respects, with all Applicable Laws.
- (c) **Control Systems:** The Borrower shall establish and maintain accounting systems and such internal controls in respect of its businesses (including without limitation, inventory and cash management systems) acceptable to the Lender; acting reasonably, and shall utilize the service of a payroll processing and servicing company approved in writing by the Lender. On or before the Advance Date, the Borrower shall provide the Lender with the name, address and other particulars of such payroll service together with a release and direction authorizing and instructing such payroll service to divulge any information sought or to be requested by the Lender until the Loan Amount shall be repaid in full.
- (d) **Financial Statements and Reports:** When requested by the Lender, the Borrower shall deliver or cause to be delivered to the Lender:
 - (i) monthly bank statements;
 - (ii) every month by the 10th Business Day of each month, a cash flow projection of the Borrower for the then following 90 days on a cumulative, weekly basis;
 - (iii) every month by the 10th Business Day of each month, a detailed report on the Borrower's actual cash flow for the immediately preceding month on a cumulative basis. Any changes in the actual cash flow from the projected cash flow forecasts prepared by the Borrower shall be explained in writing by management on a monthly basis on the 10th Business Day of each month;
 - (iv) on or by the 15th day of each and every month during the term of this Agreement, management prepared interim unaudited financial statements for the Borrower, including in each case a balance sheet, statement of profit and loss and a statement of changes in financial position, together with comparative figures for the corresponding period in the previous fiscal year;
 - (v) on or by the 15th day of each and every month during the term of this Agreement, a summary of the Borrower's prior month's accounts receivable and payable listing;

- (vi) on or by the 15th day of each and every month of the Loan, and thereafter if there shall exist any outstanding Loan Amount, proof of payment of all rents payable, all periodic payments owing to prior ranking secured creditors (if any) and all statutory priority claims of the Borrower (including, without limitation, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances, employee source deductions (i.e., income tax, pension plan contributions and employment insurance premiums, etc.)). In addition to the foregoing, proof of payment for all priority payables shall be provided within 15 days of the due date of any such payments; and
- (vii) from time to time all such further and other reports and information concerning the Borrower as the Lender may reasonably request.

All such reports shall be in such form and shall contain such detail as the Lender may reasonably request; provided however, that the Borrower shall have a 5 Business Day period in which to cure any default in delivering the deliverables required under this Section 5.1(d), before such default in delivery shall amount to an "Event of Default" under this Agreement.

- (e) Compliance with Agreement: The Borrower shall carry out all of its obligations under this Agreement and any other agreements entered into by it with the Lender, made by it in favour of the Lender or assigned by it to the Lender.
- (f) Material Adverse Change: The Borrower will provide the Lender with prompt written notice and all records, statements or other evidence of any material adverse change in its financial condition and of any matter, act or thing materially adversely affecting its property or assets, its interest therein or of any material loss, destruction, damage of or to any property referred to in or charged by any of the Security Documents.
- (g) Inspection: The Borrower shall permit the Lender and all other Persons designated by the Lender to visit and inspect its properties and assets during normal business hours upon twenty-four (24) hours prior notice given to it and to examine and make copies of all books and records relating to its properties and assets and shall ensure that the Lender and each such Person has free and unrestricted access to its property and assets and every part thereof and to such books and records, and that the Lender and each such Person will be provided with such information and data relating to its properties and assets as the Lender or such Person may reasonably request.
- (h) Further Assurances: At any and all times the Borrower will do, execute, acknowledge and deliver all such further acts, deeds, conveyances, mortgages, transfers and assurances as the Lender shall require for the purpose of giving, clarifying, perfecting and dealing with conflicting claims thereto, the validity, legality or enforceability of the mortgages, hypothecs, charges or security of the nature herein specified upon all property intended to be secured by the Security Documents and for the better assuring, conveying, mortgaging, hypothecating, assigning, confirming, pledging, charging and transferring unto the Lender all the hereditaments and premises, estates and property mortgaged, hypothecated, pledged and charged under the Security Documents, or transferred, or intended to be or which the Borrower may hereafter become bound to mortgage, hypothecate, pledge or charge or transfer in favour of the Lender and all choses in action and other intangibles to be secured in favour of the Lender hereunder.
- (i) Permitted Encumbrances: The Borrower will keep and maintain each of the Permitted Encumbrances in good standing and will comply with the terms thereof and will

forthwith notify the Lender in writing describing in reasonable detail any defaults thereunder.

- (j) Condition of Properties: The Borrower will keep or cause to be kept all of its properties and assets in good mechanical condition, repair and appearance subject to normal wear and tear.
- (k) Statutory Claims, etc.: The Borrower shall remit and pay when due, all statutory liens, trust and other Crown claims, any and all rents payable, periodic payments owing to prior secured creditors (if any) and any and all statutory priority claims (including without limitation, employee claims, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances, employee source deductions payable to Canada Revenue Agency (i.e., income tax, pension plan contributions, employment insurance premiums, etc.) when due and payable and shall provide the Lender with proof of such payment and remittance, satisfactory to the Lender, within two Business Days of the due date thereof, such proof to include, where applicable, copies of correspondence to and from Canada Revenue Agency together with cheque stubs and cancelled cheques (once received). The Borrower consents to the Lender contacting any Persons, including governmental agencies, necessary to confirm payment of same and agrees to sign any such further instruments, documents and take such further action as may be required to give effect to such consent.
- (l) Payment of Obligations: The Borrower shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its debts and liabilities of whatever nature, except when the amount or validity thereof is being contested and adequate reserves with respect thereto are maintained by the Borrower in accordance with GAAP.
- (m) Maintenance of Existence and Conduct of Business: The Borrower shall make all governmental and regulatory filings promptly; engage primarily in business of the same nature as now carried on by it; carry on and conduct its business in a proper, efficient and businesslike manner, in accordance with good business practises; take all reasonable action to obtain and maintain in full force and effect all rights, privileges, franchises and permits necessary or desirable in the conduct of its business; and comply with all Contractual Obligations and Applicable Law except to the extent that the failure to comply therewith would not, in the aggregate, cause or have a reasonable possibility of causing a Material Adverse Effect.
- (n) Notice: The Borrower shall give written notice of each of the following events to the Lender promptly upon becoming aware of any such event:
 - (i) any Default or Event of Default;
 - (ii) any default or event of default under any of its Contractual Obligations or any litigation, investigation or proceeding which may exist at any time involving the Borrower or any of its Affiliates or Subsidiaries and any Person, including, but not limited to, any governmental authority;
 - (iii) any litigation or proceeding affecting it or any of its Subsidiaries in which the portion of the alleged damages not fully covered by insurance is more than \$20,000.00 Cdn. (or an equivalent amount in any other currencies) or in which any injunctive or similar relief is sought; and

- (iv) any event which has caused, or which has a reasonable possibility of causing, a Material Adverse Effect.
- (o) Proposal: The Borrower shall provide the Lender with at least two Business Days' prior written notice of any proposal or of any Notice of Intention to Make a Proposal to Creditors or of any intention to make a filing under the *Companies' Creditors Arrangement Act* or similar legislation for effecting a compromise of claims of creditors or under any legislation which provides for a stay of proceedings by creditors.
- (p) Insurance: The Borrower shall obtain and maintain insurance with an insurance company approved by the Lender containing such terms, in such amounts and with such deductible as may be acceptable to the Lender and designate the Lender as first loss payee in respect of such policies, and containing an approved mortgagee endorsement by the Insurance Bureau of Canada, all as described in Article 3 and Article 7 of this Agreement.
- (q) Payroll Service: The Borrower agrees at all times to utilize a well known payroll service satisfactory to the Lender to remit all payroll related payments including source deductions.
- (r) GPS System: If required by the Lender, the Borrower agrees at all times, on and after the date that is 30 days after the Effective Date, to have a GPS unit installed on each of the Borrower's assets, where the value of the asset is \$50,000 or greater.

5.2 Negative Covenants:

The Borrower and Yang, where applicable, covenants and agrees with the Lender, that:

- (a) Chief Financial Officer. The Borrower will not replace the current Chief Financial Officer, Darren Setner, for the entire duration of the Demand Facility.
- (b) Royal Bank of Canada Facility. Yang shall not draw down funds, nor request any further advance or advances under the mortgage registered against the Giardina Lands, where, after such draw down or advance, the principal amount outstanding in respect of the mortgage would exceed \$962,363.11, without the express written consent of Pillar.
- (c) Further Mortgaging: Except for advances or debts secured by the Permitted Encumbrances, the Borrower will not place or secure any debt in addition to the Loan against any of the Borrower's properties or assets, nor will it create, assume or permit to exist any mortgage, charge, hypothec, pledge, lien or other encumbrance or security interest with respect to any of the Borrower's properties or assets, without the prior written consent of the Lender, which consent may be unreasonably withheld by the Lender in its sole and unfettered discretion. For greater certainty, the Borrower will not grant any purchase money security interest to a vendor or another lender in connection with the purchase of any property or assets by the Borrower or grant any security in connection with any loan under the *Canada Small Business Financing Act*, without the prior written consent of the Lender, which consent may be unreasonably withheld.
- (d) Transfer: Other than in the ordinary course of business, the Borrower shall not dispose of or transfer by way of sale, conveyance, assignment, mortgage, charge, security interest or otherwise or relocate, its undertaking, properties or assets or any part thereof or any of its interest therein or any part thereof, without the prior written consent of the Lender. Notwithstanding the foregoing, the Borrower shall not dispose of or transfer by way of sale, conveyance, assignment, mortgage, charge, security interest or otherwise, the

Equipment without the prior written consent of the Lender, which consent may be unreasonably withheld.

- (e) Purchase of Assets/Shares Restricted: For as long as there is any indebtedness of the Borrower owing to the Lender and unless the prior written consent of the Lender is obtained, which consent may be withheld by it in its sole and absolute discretion, the Borrower shall not purchase any assets from or shares of any Person, other than assets (including inventory and equipment in the ordinary course of business).
- (f) Making of Loans and Investments Restricted: The Borrower shall not make any loans to or investments in any Person, except with the prior written consent of the Lender, which consent may be unreasonably withheld by it in its sole and absolute discretion.
- (g) Payments to Non-Arm's Length Persons: The Borrower shall not advance to or repay any amounts owing to any Affiliate, Subsidiary, parent corporation or any shareholder of any of them, except for salaries, overtime and commission in amounts or calculated on a basis agreed to by the Lender in writing, or other non-arm's length Person without the prior written consent of the Lender, which consent may be unreasonably withheld by it in its sole and absolute discretion.
- (h) Further Indebtedness: Except for fees and other amounts owing pursuant to this Agreement and the Security Documents and amounts secured by Permitted Encumbrances, the Borrower shall not incur any indebtedness, except trade debt and professional fees incurred in the ordinary course of business which, for greater certainty, excludes indebtedness for borrowed money.
- (i) No Guarantees: Other than as provided in this Agreement or with the prior written consent of the Lender, the Borrower shall not guarantee the obligations of any Person other than to the Lender.
- (j) Restricted Payments: The Borrower shall not make any Restricted Payment without the prior written consent of the Lender.
- (k) Proposal: The Borrower shall not include in any proposal to creditors a proposal to the Lender; provided that if the Borrower includes the Lender in any such proposal to creditors, through inadvertence or otherwise, the Borrower hereby consents to an order for a declaration that the stay of proceedings provision of the *Bankruptcy and Insolvency Act* (Canada) no longer operates in respect of the Lender and terminating any such stay against the Lender.

ARTICLE 6

EVENTS OF DEFAULT

6.1 Events of Default:

Without in any way derogating from the rights of the Lender hereunder, each of the following events shall constitute an event of default (an "**Event of Default**") under this Agreement:

- (a) if the Borrower fails to pay any amount of principal, interest, fee or other amount when due and payable under this Agreement, any of the Security Documents or those documents or deliverables listed in Schedule "6" attached hereto, or any other agreement between the Lender and the Borrower;

- (b) if any of the representations or warranties given by the Borrower in this Agreement or the Security Documents is or shall become untrue;
- (c) if the Borrower defaults in the observance or performance of any covenant or condition in this Agreement or in the Security Documents or any other agreement between the Lender and the Borrower;
- (d) if the Borrower fails to pay on demand when the Lender makes a demand for payment of the Demand Facility;
- (e) if an order is made or a resolution is passed for the winding-up, dissolution or the liquidation of the Borrower, or if any process is filed or other processes taken for the winding-up, dissolution, bankruptcy, compromise or consolidation of debt or liquidation of the Borrower;
- (f) if the Borrower ceases to carry on its business, makes a bulk sale of its assets, commits any act of bankruptcy, becomes insolvent or goes into liquidation, makes a compromise or general assignment for the benefit of its creditors;
- (g) if the Borrower commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or institutes proceedings for its winding up, liquidation or dissolution, or take action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or other proceeding seeking reorganization, readjustment, arrangement, composition or similar relief under any law or consents to the filing of any such petition or other proceeding, or consents to the appointment of a monitor, receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of its property, or makes an assignment for the benefit of creditors, or publicly announces or admits in writing its inability to pay its debts generally as they become due, or suspends or threatens to suspend transaction of all or any substantial part of its usual business, or any action is taken by the Borrower in furtherance of any of the foregoing;
- (h) if proceedings are instituted in any court of competent jurisdiction by any Person other than the Borrower or any Subsidiary, parent or a shareholder or affiliates of the Borrower or for the winding up, liquidation or dissolution of the Borrower or any Subsidiary, or for any reorganization, readjustment, arrangement, composition or similar relief with respect to the Borrower or any Subsidiary under any bankruptcy law or any other applicable insolvency law, or for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of the property of the Borrower or any Subsidiary, and at any time thereafter such proceeding is not contested by the Borrower or any such Subsidiary, or if any order sought in any such proceeding is granted and at any time thereafter such order is not either dismissed or effectively contested by the Borrower, parents, affiliates or any Subsidiary and the effect thereof stayed;
- (i) if any execution, sequestration, extent or other process of any court becomes enforceable against the Borrower or if any distress or analogous process is levied upon all of its properties or assets, or any material part thereof, as determined by the Lender, or if any encumbrancer takes possession of all of its properties or assets or any material part thereof, as determined by the Lender;
- (j) if any government, government agency, statutory claimant, creditor or any other party exercises any remedy against any properties or assets of the Borrower;

- (k) if the Borrower fails to keep current all rents payable, pay for all repairs and improvements to the Equipment when due, make all periodic payments owing to prior ranking secured creditors (if any), statutory priority claims (including, without limitation, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances and employee source deductions (i.e., income tax, pension plan contributions, and employment insurance premiums, etc.)) or fails to provide evidence thereof satisfactory to the Lender within two Business Days of the due date thereof;
- (l) if the Borrower shall permit any sum which has been admitted as due by the Borrower is not disputed to be due by it and which forms or is capable of being made a charge upon any of its properties or assets to remain unpaid for 10 Business Days after proceedings have been taken to enforce same;
- (m) if the Borrower fails to pay when due, whether by acceleration or otherwise, the Loan Amount together with any interest accrued but unpaid thereon or any interest payments outlined in this Agreement or any costs and expenses or other amounts payable hereunder;
- (n) if there exists for any period of three consecutive Business Days one or more judgements of a court of competent jurisdiction against the Borrower for an aggregate amount exceeding \$20,000 Cdn. (or the equivalent amount in any other currency or currencies) which shall not have been satisfied in full (exclusive of any amount adequately covered by insurance as to which the insurer has acknowledged coverage);
- (o) if there shall occur any event which has a Material Adverse Effect;
- (p) if any Person or group of Persons or any company controlled by them acting in concert, other than the Shareholders, shall at any time possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the Borrower, whether through the ownership of voting securities, by contract, or otherwise; and
- (q) if the Lender in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the all or any indebtedness, liabilities and other obligations of the Borrower to the Lender hereunder or under the Security Documents or any other document delivered pursuant to, or arising from dealings between the Lender and any other Person contemplated by this Agreement, whether actual or contingent, direct or indirect, matured or not, now existing or arising hereafter is or is about to be materially impaired or that the Lender's security over the assets of the Borrower is or is about to be placed in jeopardy.

6.2 Remedies:

Upon the occurrence of an Event of Default, in addition to the rights and remedies given it by this Agreement, and the Security Documents and all those allowed by all Applicable Laws, the Lender may, at its sole option, declare the Loan, interest and any other sums due, owing or payable hereunder to be immediately due and payable, all without presentment, demand, protest, notice of dishonour or any other demand or notice whatsoever, all of which are expressly hereby waived by the Borrower. Thereafter, the Lender may take all such steps and exercise all such remedies as may be permitted hereunder or in the Security Documents or by law or equity as it may deem necessary to protect and enforce its rights hereunder and to enforce and realize upon the Security Documents and any other security held by the Lender. In doing so, the Lender shall not be required to marshal its security in favour of payment of any other debt and shall be at liberty to realize its security without letters of any kind so long as it shall act

reasonably save and except for such period of notice as may be reasonably necessary under the common law principle that a demand must be reasonable and a reasonable time given to meet it.

6.3 Remedies Cumulative:

The rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies, to which the Lender may be lawfully entitled for the same default or breach and any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lender shall be of no effect unless given in writing and then shall only be effective for the specific instance given and shall not be deemed to be a waiver of any subsequent default. The Lender may exercise all rights and remedies constituted by, or provided for in, the Security Documents granted to the Lender pursuant to or incidental to this Agreement. The Lender may, to the extent permitted by applicable law, bring suit at law, in equity or otherwise, for any available relief or purpose including but not limited to:

- (a) the specific performance of or declaratory relief with respect to any covenant or agreement contained in this Agreement, the Security Documents or in any document given pursuant to or incidental to any of them;
- (b) an injunction against a violation of any of the terms thereof;
- (c) any action in aid of the exercise of any power granted hereby or by law; or
- (d) the recovery of judgment for any and all amounts due hereunder or under the Security Documents.

ARTICLE 7 **INSURANCE**

7.1 Covenant to Insure:

The Borrower covenants and agrees that it will, with an insurer and in amounts acceptable to the Lender, insure, keep insured or cause to be insured and kept insured against all risks and perils save for those exclusions specifically approved by the Lender in writing, all insurable property forming part of the collateral under the Security Documents, including but not limited to the Equipment. In addition the Borrower shall maintain business interruption and second party liability insurance with insurers acceptable to the Lender and in such amounts as the Lender requires. Prior to advance of the Loan, the Borrower shall provide to the Lender copies of all such insurance policies and deliver to it certificates of insurance showing the Lender and its assigns as additional insureds and first or second loss payees, as applicable, and containing a clause requiring the insurer to give to the Lender at least 30 days prior written notice of any alteration in the terms of such policies or of the cancellation thereof and containing a standard mortgage endorsement approved by the Insurance Bureau of Canada.

7.2 Covenant to Pay Premiums:

The Borrower shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining all insurance required to be maintained and effected under Section 7.1 hereof. In the event of failure on the part of the Borrower to maintain or cause to be maintained any insurance required by Section 7.1 hereof, the Lender may, but shall not be obliged to, effect such insurance and the

Borrower covenants to repay to the Lender all of the premiums paid by the Lender and such amounts shall be added to the Loan Amount and shall be secured by the Security Documents. The Borrower shall deliver to the Lender forthwith upon written request by the Lender and at least 60 days prior to the due date, evidence of payment of all premiums and other sums of money payable for keeping and maintaining the insurance referred to in Section 7.1 hereof and shall deposit with the Lender copies of all such policies, signed by the insurer, setting forth the terms of insurance which are required to be maintained hereunder.

7.3 Application of Insurance Proceeds:

All proceeds from the insurance referred to in Section 7.1 hereof shall be paid to the Lender by the insurer and shall be applied by the Lender in payment (or partial payment if proceeds are insufficient to fully repay the Loan Amount) of the Loan Amount. The Borrower shall, for such purposes, do, sign, execute and endorse all transfers, assignments, cheques, loss claims, proofs of claim, receipts, writings and things necessary and hereby irrevocably appoint the Lender its attorney to do, sign, execute and endorse as aforesaid should the Borrower fail to do so when requested by the Lender. The Borrower hereby specifically authorizes and directs the Insurers to effect payment directly to the Lender as required under this section and further direct that no negotiable instrument of other form of payment shall name the Borrower. The Lender shall have full and ample authority to adjust and compromise any claim without the concurrence of the Lender or the Borrower.

ARTICLE 8 COMPENSATION, SET-OFF AND INDEMNITY

8.1 Compensation and Set-Off:

In addition to and not in limitation of any rights now or hereafter granted under Applicable Law, if an Event of Default occurs, the Lender is authorized at any time and from time to time to the fullest extent permitted by law without notice to the Borrower or to any other Person, any notice being expressly waived by the Borrower, to set off and compensate and to apply any and all indebtedness at any time owing by the Lender to or for the credit of or the account of the Borrower against and on account of the obligations and liabilities of the Borrower due and payable to the Lender under this Agreement including, without limitation, all claims of any nature or description arising out of or connected with this Agreement, irrespective of whether or not the Lender has made any demand under this Agreement. Without any obligation or liability on its part, the Lender will attempt in good faith to advise the Borrower of the Lender's exercise of any of its rights under this Section 8.1 but in no event shall failure to do so affect the legality, validity or existence of the exercise of such offset.

8.2 Indemnification:

The Borrower does hereby agree that it will indemnify and hold harmless and pay promptly to the Lender the amount of any Damages arising from or in connection with:

- (a) **Breach of Representations or Warranties:** Any breach of any representation or warranty in this Agreement or in the Security Documents (collectively the "**Agreements**") or in any certificate delivered in connection with any of the Agreements without giving effect to any supplementary disclosures made after the Advance Date unless the subsequent disclosure is one made in compliance with the terms and conditions of this Agreement with respect to ongoing disclosure;

- (b) Breach of Covenants: Any breach by the Borrower in the performance of its covenants or obligations in the Agreements or any of them or in any certificate or document delivered pursuant to the Agreements or any of them;
- (c) Environmental, Health and Safety Liabilities: Without restricting the generality of the foregoing and the Agreements, or any part of any of them, any breach by the Borrower of Environmental Laws of any jurisdiction including any Environmental Health and Safety Liabilities arising out of or relating to: (i) the ownership, operation or condition of the Equipment at any time; (ii) any Hazardous Materials or other contaminants present on the lands and premises occupied by the Borrower at any time; (iii) any leakage or release of Hazardous Materials howsoever caused and wherever occurring; or (iv) Hazardous Material emanating from or carried by or released by the Borrower; and
- (d) Expressly Included Liabilities: Without restricting the generality of the foregoing, any liability, obligation, contract or commitment (whether known or unknown and whether absolute, accrued, contingent or otherwise) to the Lender which may be implied by the facts or events which give rise to them, or arise under Applicable Law or otherwise, which, if borne by the Lender, would result in the non-recovery of the Loan Amount determined as if such facts or events had not occurred.

ARTICLE 9
GENERAL PROVISIONS

9.1 Notices:

Any notice, demand, request, consent, waiver, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or transmitted by facsimile, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, and in the case of:

- (a) the Lender, addressed to it at:

PILLAR CAPITAL CORP.
Parkside Place
Suite 920, 602 6th Avenue S.W.
Calgary, AB
T2R 1J3

Attention: Steve Dizep
Facsimile No: 403-619-9311

- (b) the Borrower addressed to them at:

TURUSS (CANADA) INDUSTRY CO. LTD.
60 Queen Street North
Chesley, Ontario
N0G 1L0

Attention: Yang Jiang
Facsimile No:

Each party may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this section. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, if transmitted by facsimile, the date of receipt shall be deemed to be the first Business Day after transmission, or if mailed as aforesaid, the date of receipt shall be deemed to be the fourth Business Day following the date of mailing. For the purposes hereof, personal service on the Borrower shall be effectually made by delivery to an officer, director or employee of the Borrower at its address set out above. If on the date of mailing or on or before the fourth Business Day thereafter, there is a general interruption in the operation of postal service in Canada which does or is likely to delay delivery by mail, to the extent possible the communications aforesaid shall be served personally or by facsimile transmission.

9.2 Waiver:

No consent or waiver, express or implied, by Lender to or of any breach or default by the Borrower in performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by it of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Borrower or to declare the Borrower in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder in such instance or in any subsequent instance.

9.3 Amendments:

This Agreement may not be modified or amended except with the written consent of the Lender and the Borrower.

9.4 Entire Agreement:

This Agreement, the documents required to be delivered hereunder and the Security Documents shall constitute the entire agreement between the Lender and the Borrower pertaining to the Loan and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto and there are no warranties, representations or other agreements between the Lender and the Borrower in connection with the Loan except as specifically set forth herein and in the Security Documents.

9.5 Assignment:

- (a) The Lender may assign, transfer, negotiate, pledge or otherwise hypothecate to any Person (an “**Assignee**”), in whole or in part, the Lender’s rights and interests in, to or under this Agreement, or any of them, and any amounts due or to become due hereunder or in connection herewith (the “**Assigned Rights**”) together with the security under Security Documents securing the Assigned Rights, (provided that, if any Assignee exercises any of the Assigned Rights, such Assignee shall agree to assume and be subject to the obligations under of this Agreement and the Security Documents, as applicable, relating to the Assigned Rights) and all rights and remedies of the Lender in connection with the Assigned Rights shall be enforceable by the Assignee against the Borrower as the same would have been by the Lender but for such assignment, transfer, negotiation, pledge or hypothecation and the Borrower shall not assert against any Assignee or otherwise, any claims or equities that the Borrower may have against the Lender to delay, diminish, extinguish or otherwise affect the amount and timeliness of payment to the Assignee or the performance by the Borrower of any of the Assigned Rights.

- (b) The Borrower shall not assign any of its rights and obligations under this Agreement or the Security Documents, or any of them, without the prior written consent of the Lender, which may be withheld by the Lender in its sole discretion.

9.6 No Merger:

The taking of any judgment or judgments on any of the covenants herein contained or contained in any Security Documents or the collection or realization of any security shall not operate as a merger or affect the Lender's rights to interest at the rate and in the same manner as herein provided.

9.7 No Agency, Joint Venture or Partnership:

The Lender is not the partner, joint venturer, agent or representative of the Borrower and the Borrower is not the partner, joint venturer, agent or representative of the Lender for any purpose and shall not hold itself out to any Person as such.

9.8 No Limitation:

None of the obligations of the Borrower hereunder or under any of the Security Documents shall be released or diminished in whole or in part because of any lack of capacity or authorization or any defect or error in or execution of this Agreement or any Security Documents or any other matter or thing whatsoever.

9.9 Rights, Powers and Remedies:

Each right, power and remedy of the Lender provided for herein, in the Security Documents or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any combination of such rights, remedies and powers may be exercised by the Lender from time to time and no such exercise shall exhaust the rights, remedies or powers of the Lender or preclude the Lender from exercising any one or more of any such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

9.10 Survival:

All covenants, undertakings, agreements, representations and warranties made by the Borrower in this Agreement, the Security Documents and any certificates, reports, statements, information, data, documents or instruments delivered pursuant to or in connection with the Loan this Agreement or any of the Security Documents shall survive the execution and delivery of this Agreement the Security Documents and any advances of the Loan made by the Lender pursuant to this Agreement and any of the Security Documents, and shall continue in full force and effect until the Loan Amount and all other amounts payable by the Borrower to the Lender is paid in full. All representations and warranties made by the Borrower in writing shall be deemed to have been relied upon by the Lender.

9.11 Conflict:

If a conflict or inconsistency exists between a provision of any of the Security Documents and a provision of this Agreement, the provisions of this Agreement shall prevail to the extent necessary to remove such conflict. If there is a representation, warranty, covenant, agreement or event of default contained in any Security Document, which is not contained herein, or vice versa, such additional provision shall not constitute a conflict but shall be valid and enforceable in accordance with its terms.

9.12 Severability:

If any provision of this Agreement or any Security Document shall be held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall attach only to such provision and shall not affect any or all other provisions of this Agreement or any Security Documents and where necessary, shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein; provided, however, that such provision shall not be by reason thereof be invalid, illegal or unenforceable in any other jurisdiction in which no such impediment exists.

9.13 Successors and Assigns:

Subject to Section 9.5 hereof, this Agreement and each of the covenants, warranties and representations herein contained or in any certificates delivered in connection herewith by the Borrower shall enure to the benefit of and be binding upon the Lender and the Borrower and their respective successors and assigns.

9.14 Expenses:

The Borrower shall be responsible for all legal, financial, facilitation and other advisory fees and disbursements and out-of-pocket expenses of the Lender in connection with the transaction contemplated herein including, but not limited to, all fees incurred by Lender in connection with the preparation of this Agreement, the Security Documents, any protective disbursements, all court attendances in Canada or elsewhere and any proceedings taken to enforce the Lender's rights and remedies. All such fees and expenses shall be secured by the Security Documents, whether or not the Loan is advanced and shall include the time spent by Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and disposing of the Lender's security calculated at the Lender's standard rates.

9.15 Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the courts of the Province of Alberta shall have exclusive jurisdiction to determine any matter, dispute or cause arising hereunder.

9.16 Time of Essence:

Time is of the essence of this Agreement and shall continue to be of the essence.

9.17 Headings and Interpretation:

The insertion in this Agreement of headings is for convenience of reference only and shall not affect the construction, meaning, intent or interpretation of any provision.

9.18 Number and Gender:

All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun. All obligations, documents, representation and warranties of the Borrower shall be joint and several so that the performance of same by the Borrower shall constitute performance per se by the other unless a different interpretation is required in order for the particular event to have meaning in the context.

9.19 Counterparts:

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall

constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or any electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

9.20 Currency:

All dollar amounts referred to herein are expressed in Canadian funds. The Borrower acknowledges that it shall be responsible for the costs (including, without limitation, bank service charges and currency exchange commissioners exchange rates) of converting funds to or from Canadian currency and hereby consents to the exchange and service charges applied by the Lender's Bank in respect of same.

9.21 Registrations:

Neither the preparation, execution nor the registration of this Agreement or any Security Documents, nor any filing or registration with respect thereto, shall bind the Lender to make an advance of the Loan unless and until each of the terms, conditions and provisions contained herein have been satisfied and performed by the Borrower to the full satisfaction of the Lender.


9.22 Expenses:

The Borrower shall be responsible for all legal, financial, facilitation and other advisory fees and disbursements and out-of-pocket expenses of the Lender in connection with the transaction contemplated herein including, but not limited to, all fees incurred by Lender in connection with the preparation of this Agreement, the Security Documents, any protective disbursements, all court attendances in Canada or elsewhere and any proceedings taken to enforce the Lender's rights and remedies. All such fees and expenses shall be secured by the Security Documents, whether or not the Loan is advanced and shall include the time spent by Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and disposing of the Lender's security calculated at the Lender's standard rates. Any fees or expenses not paid when due shall bear interest from the date due until paid in full at the same rate applicable to the principal amount outstanding under the Demand Facility under Section 2.2.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by its respective officers thereto duly authorized as of the date first above written.

TURUSS (CANADA) INDUSTRY CO. LTD.


By: 
Name: YANBI JIANG / Director
Title:
I have the authority to bind the corporation

PILLAR CAPITAL CORP.

Per: _____
Name: STEVE DIZEP
Title: PRESIDENT

ACKNOWLEDGED AND AGREED TO BY THE GUARANTORS

10936782 CANADA INC.

By: 
Name:
Title:
I have the authority to bind the corporation


WITNESS SCOTT TINNEY


YANG JIANG


WITNESS SCOTT TINNEY


RUI YANG

SCHEDULE "1"

PERMITTED ENCUMBRANCES

PART 1 - GENERAL PERMITTED ENCUMBRANCES

1. Liens for security given to a public authority or any municipality or government or other public authority when required by statutory or regulatory obligation in connection with the operation of the Borrower's business in the ordinary course of the operation of that business, which do not, in the aggregate, materially interfere with the ordinary course of conduct of the Borrower's business or affect the Lender's priority to its security interest in the Equipment.
2. Liens for taxes, assessments, governmental charges or levies not at the time due or delinquent according to law provided such liens do not affect the Lender's priority to its security interest in the Equipment.
3. Liens securing obligations not yet due and payable under the unemployment insurance legislation, workers' compensation programs, and other social security legislation provided such liens do not affect the Lender's priority to its security interest in the Equipment.
4. Liens:
 - (a) Securing public or statutory obligations of the Borrower;
 - (b) Constituting deposits securing, or in lieu of, surety, appeal or custom bonds in proceedings to which the Borrower is a party; and
 - (c) Securing bids, tenders, contracts (other than contracts for the payment of money); provided in each such case that such liens are not registered against title to any real or personal property of the Borrower and do not affect the Lender's priority to its security interest in the Equipment.
 - (d) Carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other similar Liens arising in the ordinary course of business which relate to obligations not overdue provided such liens do not affect the Lender's priority to its security interest in the Equipment.
 - (e) Liens created by the Security Documents.

PART 2 – SPECIFIC PERMITTED ENCUMBRANCES

Personal Property Registrations

1. Ontario Personal Property Registration No. 20151006 1043 1529 7083 as registered by BMW Canada Inc. expiring on October 6, 2020 against the Borrower and Yang;
2. Ontario Personal Property Registration No. 20151214 1444 1229 7788 as registered by Bank of Nova Scotia – Ontario CAU expiring on December 14, 2018 against the Borrower and Yang;
3. Ontario Personal Property Registration No. 20160126 1209 1532 4983 as registered by Porsche Financial Services Canada expiring on January 26, 2020 against the Borrower and Yang;
4. Ontario Personal Property Registration No. 20120313 1945 1531 3638 as registered by RBC Royal Bank of Canada expiring on March 13, 2019 against Yang;
5. Ontario Personal Property Registration No. 20180710 1248 1219 7884 as registered by the Bank of Nova Scotia expiring on July 10, 2021 against Yang;
6. Ontario Personal Property Registration No. 20180409 0830 1532 8405 as registered by Mercedes-Benz Financial Services Canada Corporation expiring on April 9, 2022 against Yang;
7. Ontario Personal Property Registration No. 20170410 1617 4085 8624 as registered by Porsche Financial Services Canada expiring on April 10, 2021 against Yang;
8. Ontario Personal Property Registration No. 20170412 0853 9221 1153 as registered by Honda Canada Finance Inc. expiring on April 12, 2019 against Yang;
9. Ontario Personal Property Registration No. 20180125 0852 9221 4217 as registered by Honda Canada Finance Inc. expiring on January 25, 2021 against Yang;
10. Ontario Personal Property Registration No. 20180815 1008 1532 8275 as registered by Honda Canada Finance Inc. expiring on August 25, 2023 against Yang;
11. Ontario Personal Property Registration No. 20170706 103 1529 2582 as registered by Royal Bank of Canada expiring on July 6, 2022 against Yang;
12. Ontario Personal Property Registration No. 20170224 1405 1529 9212 as registered by Royal Bank of Canada expiring on February 24, 2024 against Yang; and
13. Ontario Personal Property Registration No. 20171220 0822 1532 0409 as registered by VW Credit Inc. expiring on December 20, 2021 against Yang.

Land Titles Registrations

1. Plan Boundaries Act registered at the Ontario Land Titles Office as registration no. 64BA529 against the Empress Lands;
2. Bylaw registered at the Ontario Land Titles Office as registration no. TB25978 against the Empress Lands;
3. Agreement registered at the Ontario Land Titles Office as registration no. TB709548 against the Empress Lands;

4. Agreement registered at the Ontario Land Titles Office as registration no. TB709549 against the Empress Lands;
5. Agreement registered at the Ontario Land Titles Office as registration no. TB709550 against the Empress Lands;
6. Agreement registered at the Ontario Land Titles Office as registration no. TB709551 against the Empress Lands;
7. Agreement registered at the Ontario Land Titles Office as registration no. TB755129 against the Empress Lands;
8. Bylaw registered at the Ontario Land Titles Office as registration no. TB768702 against the Empress Lands;
9. Bylaw registered at the Ontario Land Titles Office as registration no. TB808890 against the Empress Lands;
10. Bylaw registered at the Ontario Land Titles Office as registration no. TB808891 against the Empress Lands;
11. Agreement registered at the Ontario Land Titles Office as registration no. TB813914 against the Empress Lands;
12. Notice registered at the Ontario Land Titles Office as registration no. C867934 against the Empress Lands;
13. Notice registered at the Ontario Land Titles Office as registration no. D505816 against the Empress Lands;
14. Notice registered at the Ontario Land Titles Office as registration no. E75921 against the Empress Lands;
15. Notice registered at the Ontario Land Titles Office as registration no. E75922 against the Empress Lands;
16. APL (General) registered at the Ontario Land Titles Office as registration no. E160971 against the Empress Lands;
17. Notice registered at the Ontario Land Titles Office as registration no. E173485 against the Empress Lands;
18. Notice registered at the Ontario Land Titles Office as registration no. E302386 against the Empress Lands;
19. Notice registered at the Ontario Land Titles Office as registration no. E339715 against the Empress Lands;
20. Declaration Condo registered at the Ontario Land Titles Office as registration no. E365527 against the Empress Lands;
21. Plan Condominium registered at the Ontario Land Titles Office as registration no. MTCP1343 against the Empress Lands;

22. Bylaw registered at the Ontario Land Titles Office as registration no. D746088 against the Empress Lands;
23. Bylaw registered at the Ontario Land Titles Office as registration no. D746089 against the Empress Lands;
24. Bylaw registered at the Ontario Land Titles Office as registration no. D746090 against the Empress Lands;
25. Notice registered at the Ontario Land Titles Office as registration no. D845639 against the Empress Lands;
26. Condo Bylaw/98 registered at the Ontario Land Titles Office as registration no. AT195605 against the Empress Lands;
27. No Chng Addr Condo registered at the Ontario Land Titles Office as registration no. AT236488 against the Empress Lands;
28. Transfer registered at the Ontario Land Titles Office as registration no. AT2410602 against the Empress Lands;
29. Charge registered at the Ontario Land Titles Office as registration no. AT2699499 against the Empress Lands;
30. Notice registered at the Ontario Land Titles Office as registration no. AT3085744 against the Empress Lands;
31. Bylaw registered at the Ontario Land Titles Office as registration no. R73374 against the Chesley Lands;
32. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R1656 against the Chesley Lands;
33. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R4763 against the Chesley Lands;
34. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R7194 against the Chesley Lands;
35. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R7328 against the Chesley Lands;
36. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R5253 against the Chesley Lands;
37. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R7734 against the Chesley Lands;
38. Apl Ch Name Owner registered at the Ontario Land Titles Office as registration no. BR84564 against the Chesley Lands;
39. Transfer Easement registered at the Ontario Land Titles Office as registration no. R278375 against the Chesley Lands;

40. Transfer Easement registered at the Ontario Land Titles Office as registration no. 3R7025 against the Chesley Lands;
41. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R5253 against the Chesley Lands;
42. Transfer Easement registered at the Ontario Land Titles Office as registration no. R353124 against the Chesley Lands;
43. Transfer Easement registered at the Ontario Land Titles Office as registration no. R356491 against the Chesley Lands;
44. Transfer Easement registered at the Ontario Land Titles Office as registration no. R356492 against the Chesley Lands;
45. Assignment General registered at the Ontario Land Titles Office as registration no. R356525 against the Chesley Lands;
46. Agr Right Of Way registered at the Ontario Land Titles Office as registration no. R358129 against the Chesley Lands;
47. Agreement registered at the Ontario Land Titles Office as registration no. R358130 against the Chesley Lands;
48. Assignment General registered at the Ontario Land Titles Office as registration no. R358270 against the Chesley Lands;
49. Plan Reference registered at the Ontario Land Titles Office as registration no. 3R7740 against the Chesley Lands;
50. Transfer Easement registered at the Ontario Land Titles Office as registration no. R380920 against the Chesley Lands;
51. Transfer Easement registered at the Ontario Land Titles Office as registration no. R380921 against the Chesley Lands;
52. LR's Order registered at the Ontario Land Titles Office as registration no. BR23403 against the Chesley Lands;
53. Transfer registered at the Ontario Land Titles Office as registration no. BR61680 against the Chesley Lands;
54. Apl Ch Name Owner registered at the Ontario Land Titles Office as registration no. BR84954 against the Chesley Lands;
55. Notice registered at the Ontario Land Titles Office as registration no. R488826 against the Doncrest and the Giardina Lands;
56. Transfer registered at the Ontario Land Titles Office as registration no. YR2288840 against the Doncrest Lands;
57. Charge registered at the Ontario Land Titles Office as registration no. YR2516803 against the Doncrest Lands;

58. Bylaw registered at the Ontario Land Titles Office as registration no. R564234 against the Giardina Lands;
59. Agreement registered at the Ontario Land Titles Office as registration no. R658589 against the Giardina Lands;
60. Bylaw registered at the Ontario Land Titles Office as registration no. R673068 against the Giardina Lands;
61. Bylaw registered at the Ontario Land Titles Office as registration no. LT1284852 against the Giardina Lands;
62. Notice Agreement registered at the Ontario Land Titles Office as registration no. LT1338375 against the Giardina Lands;
63. Apl Absolute Title registered at the Ontario Land Titles Office as registration no. YR2023593 against the Giardina Lands;
64. No Sub Agreement registered at the Ontario Land Titles Office as registration no. YR2334448 against the Giardina Lands;
65. Plan Subdivision registered at the Ontario Land Titles Office as registration no. 65M4470 against the Giardina Lands;
66. Apl Annex Rest Cov registered at the Ontario Land Titles Office as registration no. YR2614644 against the Giardina Lands;
67. Transfer registered at the Ontario Land Titles Office as registration no. YR2626203 against the Giardina Lands; and
68. Charge registered at the Ontario Land Titles Office as registration no. YR2626204 against the Giardina Lands.

SCHEDULE "2"

EQUIPMENT

All goods now or hereafter used or intended to be used in any business of the Borrower (and which are not inventory) including but not limited to fixtures, plant, tools, furniture, equipment, machinery, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto, vehicles and other tangible personal property, whether located on or about or in transit to or from the address of the Borrower set out in Section 9.1 of this Agreement or any other address, including, without limitation:

SERIAL NO. GOODS			
Year	Make	Model	Serial #
2013	Yale Lift	GDP120VXNJBE088	H813V02515L
2012	Yale Lift	GDP120VXNJBE088	H813V02064K
2013	Yale Lift	GDP210DCECDV150183	F876E01566L
2012	Yale Lift	GDP210DCECDV150183	F876E01519K
2013	Yale Lift	GDP210DCECDV150183	F876E01591L
2011	Doucet End-Matcher	SPFM	2011-08-300
2015	WEINIG	UNIMAT 217	C03926
2015	WEINIG	UNIMAT 217	C03927
2004	WEINIG	EM-11	100485

NON-SERIAL NO. GOODS
Flooring Top Coats Finishing Line, 11 Coats Stages, 150 meters long production line
Lumber Grading, Selection, Stacking Line, Heavy Equipment

SCHEDULE "3"

DISCHARGE / POSTPONEMENT / SUBORDINATION / NO INTEREST LETTER/TRUST LETTER REQUIREMENTS

Personal Property Registrations

1. Ontario Personal Property Registration No. 20140312 1743 1590 8375 as registered by HSBC Bank Canada expiring on March 12, 2019 against the Borrower;
2. Ontario Personal Property Registration No. 2012023 1426 6005 3936 as registered National Leasing Group Inc. expiring on April 9, 2022 against the Borrower and Yang;
3. Ontario Personal Property Registration No. 20140312 1743 1590 8376 as registered by HSBC Bank Canada expiring on March 12, 2019 against the Borrower; and
4. Ontario Personal Property Registration No. 20140312 1744 1590 8377 as registered by HSBC Bank Canada expiring on March 12, 2019 against the Borrower.

Land Titles Registrations

1. Mortgage registered at the Ontario Land Titles Office as registration no. BR84955 by HSBC Bank Canada against the Chesley Lands;
2. General Assignment of Rents registered at the Ontario Land Titles Office as registration no. BR84957 by HSBC Bank Canada against the Chesley Lands;
3. Lien registered at the Ontario Land Titles Office as registration no. BR130075 by the Crown against the Chesley Lands;
4. Mortgage registered at the Ontario Land Titles Office as registration no. AT4824585 by Ronald McCowan, Romeo Dicamillo and Aldo Dicamillo against the Empress Lands; and
5. Mortgage registered at the Ontario Land Titles Office as registration no. YR2807153 by Ronald McCowan, Romeo Dicamillo and Aldo Dicamillo against the Giardina Lands.

SCHEDULE "4"

**DEBT REQUIRED TO BE PAID
CONTEMPORANEOUSLY WITH THE ADVANCE**

1. Whatever amounts are required to discharge those personal property registrations listed in Schedule "3";
2. \$627,259.49 to be paid to the Canada Revenue Agency to settle any outstanding HST remittances owed by the Borrower;
3. \$81,231.14 to be paid to the Canada Revenue Agency to settle outstanding source arrears owed by the Borrower; and
4. \$89,270.00 to be paid to Farber Financing Solutions Inc. to settle outstanding amounts owing for broker services provided by same.

SCHEDULE “5”

LANDS

FIRSTLY

Municipal: 60 Queen Street North, Chesley, ON
Legal: PLAN 217 PARK LOT T & U
PLAN 310 LOTS 13-34, 36-47, 50-61, 65-76, 80-91, 96-101
RP 3R7734 PARTS 4, 6, 7; Arran Elderslie
Owner: Borrower

(the “**Chesley Lands**”)

SECONDLY

Municipal: 18 Doncrest Road, Richmond Hill, ON
Legal: PLAN 2607 PT LOT 12
Roll Number: 193805004004200
Owner: Yang and Rui

(the “**Doncrest Lands**”)

THIRDLY

Municipal: 19 Giardina Crescent, Richmond Hill, ON
Legal: PLAN 65M4470 LOT 66
Roll Number: 193805004593066
Owner: Yang

(the “**Giardina Lands**”)

FOURTHLY

Municipal: 33 Empress Ave, PH 306 North York, ON
Legal: MTC PLAN 1343 LEVEL 29 UNIT 5 LEVEL A UNIT 32 PARKING LEVEL 4 UNIT 92, 93
LKR
Roll Number: 190809254001208
Owner: Yang

(the “**Empress Lands**”, taken together with the Doncrest Lands and the Giardina Lands, the “**North York/Richmond Lands**”)

(collectively, the “**Lands**”)

SCHEDULE "6"

ADDITIONAL CLOSING DELIVERABLES


Prior to or contemporaneously with the first Advance, the Lender shall receive the following documents, each in a form and with content satisfactory to the Lender:

1. Loan Agreement from the Borrower and Guarantors;
1. Promissory Note from the Borrower;
2. First Position General Security Agreement from the Borrower;
3. First Position Mortgage from the Borrower with respect to the Chesley Lands;
4. Second Position Mortgage from Yang and Rui with respect to the Doncrest Lands;
5. Second Position Mortgage from Yang with respect to the Empress Lands and the Giardina;
6. General Assignment of Rents and Leases with respect to the Lands;
7. Unlimited Guarantees and Postponements of Claim from each of Yang and the Corporate Guarantor;
8. Limited Guarantee and Postponement of Claim from Rui;
9. General Security Agreement from each of the Guarantors;
10. Pre-Authorized Debit Agreement from the Borrower;
11. Assignment of Insurance from the Borrower;
12. Comfort letter confirming that the first position mortgage registered against the Doncrest Lands will not be re-advanced above \$2,427,688.96;
13. Evidence of adequate insurance coverage in the name of the Borrower, evidencing the Lender as first or second loss payee, as applicable;
14. Irrevocable Order and Direction to Pay from the Borrower;
15. Officer's Certificate in respect of the Corporate Guarantor enclosing a resolution of the directors of the Corporate Guarantor;
16. Officer's Certificate in respect of the Borrower enclosing a resolution of the directors of the Borrower;
17. Legal Opinion from Borrower's Counsel in respect of the Borrower;
18. Legal Opinion from Borrower's Counsel in respect of the Corporate Guarantor;
19. Evidence that all Canada Revenue Agency payroll remittances are current;

20. Evidence that all federal and provincial corporate taxes are current;
21. Evidence that all property taxes in relation to the Lands are current;
22. Evidence that the Borrower is current with respect to any amount owing to WSIB Ontario;
23. Provision of an executed lease as between the Borrower and Bruce Power;
24. Provision of a detailed equipment and inventory list as owned by the Borrower; and
25. Provision of a mortgage statement showing the current balance for the mortgage registered against the Doncrest Lands.

TAB 2C

**THIS IS EXHIBIT "C"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Properties

PIN 33183 - 0177 *LT* *Interest/Estate* Fee Simple
Description PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE
Address 60 QUEEN STREET NORTH
 CHESLEY

PIN 33183 - 0178 *LT* *Interest/Estate* Fee Simple
Description 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
Address 60 QUEEN STREET NORTH
 CHESLEY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name TURUSS (CANADA) INDUSTRY CO., LTD.
Address for Service 60 Industrial Park Road
 Chesley, ON N0G 1L0
 I, YANG JIANG, Secretary and Treasurer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s) *Capacity* *Share*

Name PILLAR CAPITAL CORP
Address for Service Suite 920
 602 - 12th Avenue S.W.
 Calgary, AB T2R 1J3

Provisions

Principal \$3,950,000.00 *Currency* CDN
Calculation Period monthly payable interest only
Balance Due Date On Demand
Interest Rate 2.5% per month
Payments
Interest Adjustment Date
Payment Date On Demand
First Payment Date
Last Payment Date
Standard Charge Terms 200433
Insurance Amount Full insurable value
Guarantor

Signed By

Matthijs Jacob Jochem Van Gaalen One Main Street West acting for Signed 2018 10 23
Hamilton Chargor(s)

Tel 905-540-8208
 Fax 905-523-2518

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

G-WLG LP (A.K.A. GOWLINGS)

One Main Street West
Hamilton
L8P 4Z5

2018 10 23

Tel 905-540-8208

Fax 905-523-2518

Fees/Taxes/Payment

Statutory Registration Fee \$63.65

Total Paid \$63.65

File Number

Chargee Client File Number : A160239

SET OF STANDARD CHARGE TERMS

Filing Date October 14, 2004

Filed by

Filing number: 200433

Dye & Durham Co. Inc.

The following set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4. as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter referred to as the "Charge".

Exclusion of
Statutory
Covenants

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* as amended or re-enacted are excluded from the Charge.

Right to
Charge the
Land
No Act to
Encumber

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

Good Title in
Fee Simple

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

Promise to Pay
and Perform

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

Interest
After Default

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

No Obligation to
Advance

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

Costs Added
to Principal

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favor of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

Power of
Sale

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distrain

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

Further Assurances

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

Acceleration of Principal and Interest

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

Partial Releases

14. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

Obligation to Insure

15. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interests may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

Obligation to Repair

16. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Building Charge* 17. If any of the principal amount to be advanced under the Charge is to be used to finance improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the Construction Lien Act as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not to Prejudice* 18. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by any agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants* 19. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until a judgment shall have been fully paid and satisfied.
- Change In Status* 20. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions* 21. If the Charge is of land within a condominium registered pursuant to the Condominium Act (the "Act") the following provision shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the Corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company in the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 15 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge* 22. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration as applicable to such discharge or assignment shall be paid by the Chargor.
- Guarantee* 23. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any monies payable hereunder, the Guarantor will pay all such monies to the Chargee without any demand being required to be made.
- (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the monies hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
- (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

(d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.

(e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Severability 24. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

Interpretation 25. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph Headings 26. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

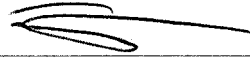
Date of Charge 27. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

Effect of Delivery of Charge 28. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the charge for registration to do so.

DATED this day of

TAB 2D

**THIS IS EXHIBIT "D"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Properties

PIN 33183 - 0177 LT
Description PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE
Address 60 QUEEN STREET NORTH
 CHESLEY

PIN 33183 - 0178 LT
Description 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
Address 60 QUEEN STREET NORTH
 CHESLEY

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name TURUSS (CANADA) INDUSTRY CO., LTD.
Address for Service 60 Industrial Park Road
 Chesley, ON N0G 1L0

I, YANG JIANG, Secretary and Treasurer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)**Capacity****Share**

Name PILLAR CAPITAL CORP
Address for Service Suite 920
 602 - 12th Avenue S.W.
 Calgary, AB T2R 1J3

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, BR137134 registered on 2018/10/23 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Matthijs Jacob Jochem Van Gaalen One Main Street West acting for First 2018 10 23
 Hamilton Applicant(s) Signed
 L8P 4Z5

Tel 905-540-8208
 Fax 905-523-2518

Matthijs Jacob Jochem Van Gaalen One Main Street West acting for Last 2018 10 26
 Hamilton Applicant(s) Signed
 L8P 4Z5

Tel 905-540-8208
 Fax 905-523-2518

I have the authority to sign and register the document on behalf of all parties to the document.

Matthijs Jacob Jochem Van Gaalen One Main Street West acting for First 2018 10 23
 Hamilton Party To(s) Signed
 L8P 4Z5

Tel 905-540-8208
 Fax 905-523-2518

Signed By

Matthijs Jacob Jochem Van Gaalen	One Main Street West Hamilton L8P 4Z5	acting for Party To(s)	Last Signed	2018 10 26
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Tel 905-540-8208

Fax 905-523-2518

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

G-WLG LP (A.K.A. GOWLINGS)	One Main Street West Hamilton L8P 4Z5			2018 10 26
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Tel 905-540-8208

Fax 905-523-2518

Fees/Taxes/Payment

Statutory Registration Fee	\$63.65
Total Paid	\$63.65

File Number

Party To Client File Number : A160239

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT dated the 23rd day of October, 2018.

B E T W E E N:

TURUSS (CANADA) INDUSTRY CO., LTD.

(hereinafter called the "**Assignor**")

OF THE FIRST PART

- and -

PILLAR CAPITAL CORP

(hereinafter called the "**Chargee**")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS the Assignor is the registered owner of the Lands subject to the Charge and has agreed to enter into this agreement with the Chargee as collateral security for the due payment of the monies secured by the Charge and performance of the other obligations of the Assignor under the Charge;

NOW THEREFORE it is hereby covenanted, agreed and declared as follows:

1. In this agreement, unless there is something in the subject matter or context inconsistent therewith,
 - (a) "**Charge**" means the mortgage/charge of the Lands from the Assignor to the Chargee and registered concurrently with this Instrument in the Land Registry Office for the Land Titles District of Metropolitan Toronto (No. 80) and any renewals, extensions or amendments thereof;
 - (b) "**Commitment Letter**" means a letter of agreement dated October 15, 2018 between the Chargee, as lender, Turuss (Canada) Industry Co., Ltd., as borrower, and Yang Jiang, Rui Yang and 10936782 Canada Inc., as guarantors, (as the same may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time,
 - (c) "**Lands**" means the lands and premises described in the Notice of Assignment of Rents - General to which this agreement may be attached as a schedule;
 - (d) "**Leases**" includes
 - (i) every existing and future lease of and agreement to lease of the whole or any portion of the Lands;
 - (ii) every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence;

- (iii) every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
 - (iv) every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands; and
 - (e) "**Rents**" means all rents and other monies now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors, under or in respect of the Leases.
2. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Commitment Letter.
 3. The Assignor hereby assigns to the Chargee, its successors and permitted assigns, as security for the payment of the monies secured by the Charge and the performance of the Assignor's other obligations thereunder until they have been fully paid and satisfied, the Rents and the Leases, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Lands.
 4. Until the Assignor defaults under the covenants, terms and conditions contained in this Agreement, or an event of default occurs under the Charge or the Commitment Letter, the Assignor may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Assignor to collect or receive Rents contrary to the covenants contained herein.
 5. The Assignor hereby represents and agrees that:
 - (a) the Assignor has not and will not without the prior written consent of the Chargee, not to be unreasonably withheld, do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating in any material respect any rights or remedies or obligations of any other party thereunder or in connection therewith;
 - (b) the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have not been nor without the prior written consent of the Chargee, not to be unreasonably withheld, will not be materially altered, varied or amended;
 - (c) except as permitted under a Lease or as previously disclosed to the Chargee in writing, none of the Rents have been or will be paid more than one month in advance;
 - (d) except as may have been previously disclosed to the Chargee in writing, there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto; and,
 - (e) the Assignor will observe and perform in all material respects all of its obligations under each of the Leases.
 6. Subject to the provisions of paragraph 4(c) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of the Leases and to use proceeds from the Rents in ordinary course of its business unless and until the Chargee shall give notice to the lessee, tenant, user, occupier, licensee or guarantor

thereunder requiring payment of the Rents to the Chargee following the occurrence of an Event of Default, which is continuing beyond any applicable cure period provided for such Event of Default in the Commitment Letter.

7. Nothing herein contained shall have the effect of making the Chargee, its successors or permitted assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Lease to be observed or performed by the Assignor, and the Chargee shall not, by virtue of this agreement or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands and the Chargee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases; and the Chargee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses, including all its legal fees and disbursements, and other proper deductions. Monies collected may be held in a separate account unappropriated and from time to time applied on such part of the indebtedness of the Assignor as to the Chargee may seem fit.
8. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Chargee from time to time to perfect this agreement and assignment and whenever in the future any Lease is made, the Assignor will forthwith on the request of the Chargee advise the Chargee of the terms thereof and, if requested by the Chargee, give the Chargee, at the Assignor's expense, a specific assignment of the Lease or the Rents thereunder in form satisfactory to the Chargee.
9. The Assignor further agrees that it will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable than those which a prudent landlord of a similar property would accept or expect to receive for the premises to be leased.
10. This agreement and assignment is collateral security only for the due payment and performance of all other obligations under the Charge. None of the rights or remedies of the Chargee under the Charge shall be delayed or in any way prejudiced by this assignment. Following registration of a cessation of the Charge, this assignment shall be of no further force or effect with respect to the Lands and the Leases and Rents from the Lands shall be deemed to have been thereby released and reassigned to the Assignor.
11. Any notice or communication to be given hereunder shall be validly given to the Assignor if sent by prepaid ordinary mail or hand delivered or sent by facsimile device or email to:

TURUSS (CANADA) INDUSTRY CO., LTD.
ATTENTION: YANG JIANG
60 Industrial Park Road
Chesley, ON N0G 1L0
Fax: _____
Email: _____

All notices and communications sent by prepaid ordinary mail shall be deemed to have been given and received on the second business day following the date of mailing, and notices and communications that are hand delivered, faxed or emailed shall be deemed to have been given and received on the date of delivery or confirmed transmission. The Assignor may by written notice to the Chargee change the address to which future notices are to be sent to it.

12. This agreement and everything herein contained shall extend to, bind and enure to the benefit of the heirs, administrators, executors, successors and permitted assigns (as the case may be) of each of the parties hereto.
13. This agreement may be executed in several counterparts (including fax and PDF counterparts), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof. The Assignor agrees that the Chargee shall not be required to execute this agreement in order to receive the rights and benefits thereunder.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Assignor has executed this agreement, the day and year first above written.

TURUSS (CANADA) INDUSTRY CO., LTD.

Per:



Name: Yang Jiang

Title: Director

I have the authority to bind the Corporation.

Properties

PIN 33183 - 0177 LT
Description PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE
Address 60 QUEEN STREET NORTH
 CHESLEY

PIN 33183 - 0178 LT
Description 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
Address 60 QUEEN STREET NORTH
 CHESLEY

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name TURUSS (CANADA) INDUSTRY CO., LTD.
Address for Service 60 Industrial Park Road
 Chesley, ON N0G 1L0

I, YANG JIANG, Secretary and Treasurer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name PILLAR CAPITAL CORP
Address for Service Suite 920
 602 - 12th AVenue S.W.
 Calgary, AB T2R 1J3

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, BR137134 registered on 2018/10/23 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Stephanie Anne Marie Harvey One Main Street West acting for Signed 2018 11 06
 Hamilton
 L8P 4Z5 Applicant(s)

Tel 905-540-8208

Fax 905-523-2518

I have the authority to sign and register the document on behalf of all parties to the document.

Stephanie Anne Marie Harvey One Main Street West acting for Signed 2018 11 06
 Hamilton
 L8P 4Z5 Party To(s)

Tel 905-540-8208

Fax 905-523-2518

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

G-WLG LP (A.K.A. GOWLINGS) One Main Street West
 Hamilton
 L8P 4Z5

2018 11 06

The applicant(s) hereby applies to the Land Registrar.

Submitted By

Tel 905-540-8208

Fax 905-523-2518

Fees/Taxes/Payment

Statutory Registration Fee \$64.40

Total Paid \$64.40

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT dated the 23rd day of October, 2018.

B E T W E E N:

TURUSS (CANADA) INDUSTRY CO., LTD.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

PILLAR CAPITAL CORP

(hereinafter called the "Chargee")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS the Assignor is the registered owner of the Lands subject to the Charge and has agreed to enter into this agreement with the Chargee as collateral security for the due payment of the monies secured by the Charge and performance of the other obligations of the Assignor under the Charge;

NOW THEREFORE it is hereby covenanted, agreed and declared as follows:

1. In this agreement, unless there is something in the subject matter or context inconsistent therewith,
 - (a) "**Charge**" means the mortgage/charge of the Lands from the Assignor to the Chargee and registered the 23rd day of October, 2018 as Instrument No. BR137134 in the Land Registry Office for the Land Titles District of Bruce (No. 3) and any renewals, extensions or amendments thereof;
 - (b) "**Commitment Letter**" means a letter of agreement dated October 15, 2018 between the Chargee, as lender, Turuss (Canada) Industry Co., Ltd., as borrower, and Yang Jiang, Rui Yang and 10936782 Canada Inc., as guarantors, (as the same may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time,
 - (c) "**Lands**" means the lands and premises described in the Notice of Assignment of Rents - General to which this agreement may be attached as a schedule;
 - (d) "**Leases**" includes
 - (i) every existing and future lease of and agreement to lease of the whole or any portion of the Lands;
 - (ii) every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence;

- (iii) every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
 - (iv) every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands; and
 - (e) "**Rents**" means all rents and other monies now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors, under or in respect of the Leases.
2. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Commitment Letter.
 3. The Assignor hereby assigns to the Chargee, its successors and permitted assigns, as security for the payment of the monies secured by the Charge and the performance of the Assignor's other obligations thereunder until they have been fully paid and satisfied, the Rents and the Leases, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Lands.
 4. Until the Assignor defaults under the covenants, terms and conditions contained in this Agreement, or an event of default occurs under the Charge or the Commitment Letter, the Assignor may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Assignor to collect or receive Rents contrary to the covenants contained herein.
 5. The Assignor hereby represents and agrees that:
 - (a) the Assignor has not and will not without the prior written consent of the Chargee, not to be unreasonably withheld, do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating in any material respect any rights or remedies or obligations of any other party thereunder or in connection therewith;
 - (b) the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have not been nor without the prior written consent of the Chargee, not to be unreasonably withheld, will not be materially altered, varied or amended;
 - (c) except as permitted under a Lease or as previously disclosed to the Chargee in writing, none of the Rents have been or will be paid more than one month in advance;
 - (d) except as may have been previously disclosed to the Chargee in writing, there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto; and,
 - (e) the Assignor will observe and perform in all material respects all of its obligations under each of the Leases.
 6. Subject to the provisions of paragraph 4(c) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of the Leases and to use proceeds from the Rents in ordinary course of its business unless and until the Chargee shall give notice to the lessee, tenant, user, occupier, licensee or guarantor

thereunder requiring payment of the Rents to the Chargee following the occurrence of an Event of Default, which is continuing beyond any applicable cure period provided for such Event of Default in the Commitment Letter.

7. Nothing herein contained shall have the effect of making the Chargee, its successors or permitted assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Lease to be observed or performed by the Assignor, and the Chargee shall not, by virtue of this agreement or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands and the Chargee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases; and the Chargee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses, including all its legal fees and disbursements, and other proper deductions. Monies collected may be held in a separate account unappropriated and from time to time applied on such part of the indebtedness of the Assignor as to the Chargee may seem fit.
8. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Chargee from time to time to perfect this agreement and assignment and whenever in the future any Lease is made, the Assignor will forthwith on the request of the Chargee advise the Chargee of the terms thereof and, if requested by the Chargee, give the Chargee, at the Assignor's expense, a specific assignment of the Lease or the Rents thereunder in form satisfactory to the Chargee.
9. The Assignor further agrees that it will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable than those which a prudent landlord of a similar property would accept or expect to receive for the premises to be leased.
10. This agreement and assignment is collateral security only for the due payment and performance of all other obligations under the Charge. None of the rights or remedies of the Chargee under the Charge shall be delayed or in any way prejudiced by this assignment. Following registration of a cessation of the Charge, this assignment shall be of no further force or effect with respect to the Lands and the Leases and Rents from the Lands shall be deemed to have been thereby released and reassigned to the Assignor.
11. Any notice or communication to be given hereunder shall be validly given to the Assignor if sent by prepaid ordinary mail or hand delivered or sent by facsimile device or email to:

TURUSS (CANADA) INDUSTRY CO., LTD.
ATTENTION: YANG JIANG
60 Industrial Park Road
Chesley, ON N0G 1L0
Fax: _____
Email: _____

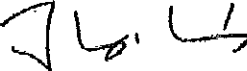
All notices and communications sent by prepaid ordinary mail shall be deemed to have been given and received on the second business day following the date of mailing, and notices and communications that are hand delivered, faxed or emailed shall be deemed to have been given and received on the date of delivery or confirmed transmission. The Assignor may by written notice to the Chargee change the address to which future notices are to be sent to it.

12. This agreement and everything herein contained shall extend to, bind and enure to the benefit of the heirs, administrators, executors, successors and permitted assigns (as the case may be) of each of the parties hereto.
13. This agreement may be executed in several counterparts (including fax and PDF counterparts), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof. The Assignor agrees that the Chargee shall not be required to execute this agreement in order to receive the rights and benefits thereunder.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Assignor has executed this agreement, the day and year first above written.

TURUSS (CANADA) INDUSTRY CO., LTD.

Per: 

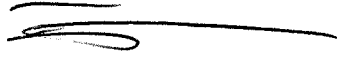
Name: Yang Jiang

Title: Director

I have the authority to bind the Corporation.

TAB 2E

**THIS IS EXHIBIT "E"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**

A handwritten signature in black ink, consisting of several fluid, overlapping strokes.

A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, the undersigned ("**Debtor**") hereby grants to **PILLAR CAPITAL CORP.** ("**Pillar**") a security interest, mortgage and charge (hereinafter collectively referred to as the "**Security Interest**") as hereinafter provided:
- (i) a security interest in the undertaking of Debtor and all of Debtor's present and after acquired personal property including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- A. all Inventory of whatever kind and wherever situate;
 - B. all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - C. all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured and whether arising in connection with an interest in real or personal property or otherwise, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor (collectively referred to as the "**Debts**");
 - D. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - E. all contractual rights and insurance claims; and
 - F. all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation, environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively referred to as "**Intellectual Property**");
- (ii) a mortgage and charge as and by way of a floating charge, in all of Debtor's present and after acquired interest in property, assets and undertaking not secured in (i) above, including all real, immoveable and leasehold property and all

easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including without limitation, all structures, plants and other fixtures now owned or hereafter owned or acquired by or on behalf of Debtor (collectively referred to as "**Real Property**"); and

- (iii) a security interest in all property described in Schedule "C" annexed hereto or any replacement or additional Schedule "C" now or hereafter annexed hereto; and
 - (iv) a Security Interest in all proceeds and renewals thereof, accretions thereto and substitutions therefor, all of the foregoing being hereinafter collectively referred to as the "**Collateral**".
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceeds", "Inventory", "equipment", "accessions", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in *The Personal Property Security Act* of the province where the herein mentioned office of the Debtor is located, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor (other than where the determination as to the validity or enforceability of the security interest in such property is governed by *The Personal Property Security Act, 1993* (Saskatchewan)) as that term is defined in the P.P.S.A. and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such during the term of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Pillar (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (collectively referred to as the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of Debtor, Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Pillar shall be entitled to pursue full payment thereof.

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

Debtor represents and warrants, and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (collectively referred to as the "**Encumbrances**"), save for the Security Interest and those Encumbrances shown on Schedule "A" annexed hereto or hereafter approved in writing by Pillar prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by Debtor to Pillar from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Pillar, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule "B" annexed hereto as to business operations and records are accurate and complete and with respect to Real Property and Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all buildings, fixtures or Goods about to become fixtures, and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations;
- (e) Debtor has disclosed to Pillar all environmental and other matters which could have a material effect on the financial condition or operations of Debtor; and
- (f) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to Pillar will not result in a breach of the constating documents or by-laws of the Debtor, or any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect, Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown in Schedule "A" or hereafter approved in writing by Pillar, prior to their creation or assumption; and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Pillar; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;
- (b) to notify Pillar promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Debtor or Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
 - (vi) the return to or repossession by Debtor of Collateral;
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing, by Pillar; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, caveats, mortgages, notices, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Pillar of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as Pillar shall reasonably direct with loss payable to Pillar and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of Debtor in accordance with all applicable laws, in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Pillar's request so as to indicate the Security Interest; and
- (i) to deliver to Pillar from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities, Chattel Paper and duplicate certificates of title to Real Property constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for Debtor regarding Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, Debtor and Debtor's business and affairs as Pillar may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Pillar shall have the right at any time and from time to time to verify compliance by Debtor with Debtor's obligations under this Security Agreement (including through inquiries with governmental agencies) and the existence and state of the Collateral in any manner Pillar may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Pillar may reasonably request in connection therewith and for such purpose to grant to Pillar or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES

If Collateral at any time includes Securities, Debtor authorizes Pillar to transfer the same or any part thereof into its own name or that of its nominee(s) so that Pillar or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, Pillar shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered

owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by Pillar or its nominee(s) as such registered owner and agrees that no proxy issued by Pillar to Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, Pillar may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Pillar. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by Debtor in trust for Pillar and shall be turned over to Pillar upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if Pillar receives any such Money prior to default, Pillar shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to Pillar.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, Debtor authorizes Pillar:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly; and
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- (b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to Pillar to be held by Pillar as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A. or other applicable law, all Money collected or received by Pillar pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as Pillar deems best or, at the option of Pillar, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Pillar hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and Pillar;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a sale of a substantial portion of Debtor's assets or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Pillar to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall

have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Pillar at or prior to the time of such execution.

12. **ACCELERATION**

Pillar, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Pillar considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of Pillar with respect to any Indebtedness which may now or hereafter be payable on demand.

13. **REMEDIES**

- (a) Upon default, Pillar may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Pillar or not, to be a receiver or receivers (hereinafter called a "**Receiver**", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of Debtor and not Pillar, and Pillar shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor constituting Collateral or wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Pillar, all Money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to Pillar. Every such Receiver may, in the discretion of Pillar, be vested with all or any of the rights and powers of Pillar.
- (b) Upon default, Pillar may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Pillar may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Pillar may sell, lease, license or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Pillar may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Pillar and in addition to any other rights Pillar may have at law or in equity, Pillar shall have, both before and after default, all rights and remedies of a

secured party under the P.P.S.A. provided always, that Pillar shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Pillar shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper or prior encumbrancers on any Real Property whether Collateral or proceeds and whether or not in Pillar's possession and shall not be liable or accountable for failure to do so.

- (e) Debtor acknowledges that Pillar or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Pillar or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses incurred by Pillar or any Receiver or agent appointed by it, whether directly or for services rendered (including solicitors costs on a solicitor and his own client basis and auditors costs and other legal expenses and Receiver and agent remuneration), in operating Debtor's accounts, preparing or enforcing this Security Agreement, inspecting and determining the state of the Collateral, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Pillar or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) Pillar will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A. or other applicable law.
- (h) Upon default and receiving written demand from Pillar, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever Pillar directs, including to Pillar. Debtor appoints any officer or director or branch manager of Pillar upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) Debtor hereby authorizes Pillar to file such financing statements, financing change statements, caveats, mortgages, forms, security notices and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Pillar may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints any officer of Pillar the true and lawful attorney of Debtor, with full power of substitution, to do any of the

foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

- (b) Without limiting any other right of Pillar, whenever Indebtedness is immediately due and payable or Pillar has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Pillar may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Pillar in any capacity, whether or not due, and Pillar shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Pillar's records subsequent thereto.
- (c) Upon Debtor's failure to perform any of its duties hereunder, Pillar may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Pillar, forthwith upon written demand therefor, an amount equal to the expense incurred by Pillar in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 30% per annum.
- (d) Pillar may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Pillar may see fit without prejudice to the liability of Debtor or Pillar's right to hold and realize the Security Interest. Furthermore, Pillar may demand, collect and sue on Collateral in either Debtor's or Pillar's name, at Pillar's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by Pillar in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Pillar may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Pillar granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by Pillar on which Debtor is in any way liable and, subject to Clause 13 (g) hereof, notice of any other action taken by Pillar.
- (g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Pillar. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several and, unless the context otherwise requires, a reference to "Debtor" herein shall be deemed to be a reference to each of the undersigned.

- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (i) Subject to the requirements of Clauses 13 (g) and 14 (j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Pillar, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to Pillar. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Pillar and is intended to be a continuing Security Agreement.
- (k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate Pillar to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to Pillar.
- (p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Pillar at the time of

amalgamation and any "Indebtedness" of the amalgamated company to Pillar thereafter arising.

The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

- (q) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province of Alberta.
- (r) Debtor covenants and agrees with Pillar that:
 - (i) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in *The Land Contracts (Actions) Act* with respect to this Security Agreement;
 - (ii) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement; and
 - (iii) if Debtor is an agricultural corporation within the meaning of *The Saskatchewan Farm Security Act* (Saskatchewan), all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

15. COPY OF AGREEMENT AND FINANCING STATEMENT

- (a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by Pillar or any verification statement pertaining to a registration by Pillar.

16. PILLAR REGISTERED OFFICE ADDRESS:

Suite 920, 602 12th Avenue S.W., Calgary, AB T2R 1J3

17. NAME AND ADDRESS OF DEBTOR

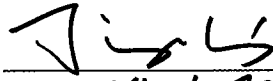
Debtor represents and warrants that the following information is accurate:

NAME OF DEBTOR	TELEPHONE NUMBER	FAX NUMBER	
TURUSS (CANADA) INDUSTRY CO. LTD.	647-286-8124		
ADDRESS OF CORPORATE DEBTOR	CITY / TOWN	PROVINCE	POSTAL CODE
60 Industrial Park RD	cheslay	ON	N0G1L0

[Signature Page Follows]

IN WITNESS WHEREOF Debtor has executed this Security Agreement as of the 24th day of October, 2018.

TURUSS (CANADA) INDUSTRY CO. LTD.

Per: 
Name: YANH JIANG / Director
Title:

SCHEDULE "A"

(SPECIFIC ENCUMBRANCES AFFECTING COLLATERAL)

Personal Property Registry (Alberta)

1. Ontario Personal Property Registration No. 20151006 1043 1529 7083 as registered by BMW Canada Inc. expiring on October 6, 2020.
2. Ontario Personal Property Registration No. 20151214 1444 1229 7788 as registered by Bank of Nova Scotia – Ontario CAU expiring on December 14, 2018.
3. Ontario Personal Property Registration No. 20160126 1209 1532 4983 as registered by Porsche Financial Services Canada expiring on January 26, 2020.

SCHEDULE "B"

1. **Locations of Debtor's Business Operations**

2. **Locations of Records relating to Collateral**

3. **Locations of Collateral**
Ontario

SCHEDULE "C"

(DESCRIPTION OF PROPERTY)

COLLATERAL: GENERAL
ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

SERIAL NO. GOODS			
Year	Make	Model	Serial #
2013	Yale Lift	GDP120VXNJBE088	H813V02515L
2012	Yale Lift	GDP120VXNJBE088	H813V02064K
2013	Yale Lift	GDP210DCECDV150183	F876E01566L
2012	Yale Lift	GDP210DCECDV150183	F876E01519K
2013	Yale Lift	GDP210DCECDV150183	F876E01591L
2011	Doucet End-Matcher	SPFM	2011-08-300
2015	WEINIG	UNIMAT 217	C03926
2015	WEINIG	UNIMAT 217	C03927
2004	WEINIG	EM-11	100485

NON-SERIAL NO. GOODS
Flooring Top Coats Finishing Line, 11 Coats Stages, 150 meters long production line
Lumber Grading, Selection, Stacking Line, Heavy Equipment

TAB 2F

**THIS IS EXHIBIT "F"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

PROPERTY DESCRIPTION: PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN R355334.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2007/10/22

OWNERS' NAMES
TURUSS (CANADA) INDUSTRY CO., LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/10/19 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2007/10/22 **						
R73374	1969/11/17	BYLAW				C
3R7194	2000/05/03	PLAN REFERENCE				C
3R7328	2001/01/19	PLAN REFERENCE				C
3R7734	2003/04/25	PLAN REFERENCE				C
R375072	2003/05/30	TRANSFER		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
REMARKS: BY DECLARATION UNDER SECTION 25 REGISTERED AS R399070						
R377153	2003/08/07	CHARGE		*** COMPLETELY DELETED ***	ROYAL BANK OF CANADA	
BR60650	2011/12/16	TRANSFER REL&ABAND		*** COMPLETELY DELETED ***	KUEPFER, AMOS K.	
REMARKS: R374792.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #3

33183-0177 (LT)

PREPARED FOR CherieAM1
ON 2020/08/24 AT 11:07:04

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
BR61680	2012/01/20	TRANSFER <i>REMARKS: PLANNING ACT STATEMENTS</i>	\$5,000,000	DURHAM FURNITURE INC.	GRS INVESTMENT INC.	C
BR62320	2012/02/14	DISCH OF CHARGE <i>REMARKS: R377153.</i>		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
BR62580	2012/02/24	CHARGE		*** COMPLETELY DELETED *** GRS INVESTMENT INC.	GALLUCCI, PAUL LAM, VINH TRUNG	
BR62581	2012/02/24	NO ASSGN RENT GEN <i>REMARKS: BR62580.</i>		*** COMPLETELY DELETED *** GRS INVESTMENT INC.	GALLUCCI, PAUL LAM, VINH TRUNG	
BR77861	2013/07/17	NOTICE <i>REMARKS: BR62580</i>		*** COMPLETELY DELETED *** GRS INVESTMENT INC.	GALLUCCI, PAUL LAM, VINH TRUNG	
BR84564	2014/03/27	APL CH NAME OWNER		GRS INVESTMENT INC.	TURUSS (CANADA) INDUSTRY CO., LTD	C
BR84954	2014/04/10	APL CH NAME OWNER		TURUSS (CANADA) INDUSTRY CO., LTD	TURUSS (CANADA) INDUSTRY CO., LTD.	C
BR84955	2014/04/10	CHARGE		*** COMPLETELY DELETED *** TURUSS (CANADA) INDUSTRY CO., LTD.	HSBC BANK CANADA	
BR84957	2014/04/10	NO ASSGN RENT GEN <i>REMARKS: BR84955</i>		*** COMPLETELY DELETED *** TURUSS (CANADA) INDUSTRY CO., LTD.	HSBC BANK CANADA	
BR84969	2014/04/11	DISCH OF CHARGE <i>REMARKS: BR62580.</i>		*** COMPLETELY DELETED *** GALLUCCI, PAUL LAM, VINH TRUNG		
BR103671	2016/01/07	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
BR106528	2016/04/29	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: TAX LIEN		THE MINISTER OF NATIONAL REVENUE		
BR106844	2016/05/06	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: TAX LIEN				
BR109847	2016/08/03	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: BR106844.				
BR113929	2016/11/25	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: BR106528.				
BR113933	2016/11/25	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: BR103671.				
BR130075	2018/04/03	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: TAX LIEN				
BR137134	2018/10/23	CHARGE	\$3,950,000	TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP	C
BR137135	2018/10/23	NO ASSGN RENT GEN		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP	C
		REMARKS: BR137134				
BR137539	2018/11/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
		REMARKS: BR84955.				
BR137680	2018/11/06	NO ASSGN RENT GEN		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP	C
		REMARKS: BR137134				
BR138500	2018/11/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		

LAND
REGISTRY
OFFICE #3

33183-0177 (LT)

PREPARED FOR CherieAM1
ON 2020/08/24 AT 11:07:04

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: BR130075.</i>				
BR142592	2019/04/26	CHARGE		*** COMPLETELY DELETED *** TURUSS (CANADA) INDUSTRY CO., LTD.	JIA, QIAN	
BR144696	2019/06/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** JIA, QIAN		
		<i>REMARKS: BR142592.</i>				
BR153825	2020/03/13	CHARGE	\$550,000	TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG	C
BR153826	2020/03/13	NO ASSGN RENT GEN		TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG	C
		<i>REMARKS: BR153825.</i>				

LAND
REGISTRY
OFFICE #3

33183-0178 (LT)

PREPARED FOR CherieAM1
ON 2020/08/24 AT 11:07:59

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: 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

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2007/10/22

OWNERS' NAMES

TURUSS (CANADA) INDUSTRY CO., LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/10/19 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2007/10/22 **						
R73374	1969/11/17	BYLAW				C
3R1656	1976/11/25	PLAN REFERENCE				C
3R4763	1989/10/02	PLAN REFERENCE				C
3R5253	1991/01/29	PLAN REFERENCE				C
R278375	1991/07/22	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF CHESLEY	C
R283101	1992/01/07	AGREEMENT		*** DELETED AGAINST THIS PROPERTY ***		
REMARKS: R259344						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
R284818	1992/03/23	LEASE		*** COMPLETELY DELETED ***	ALMIRA FURNITURE COMPANY LTD.	
R284819	1992/03/23	AGREEMENT		*** COMPLETELY DELETED ***		
R284820	1992/03/23	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
		<i>REMARKS: R284818</i>				
R324241	1997/01/22	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF CHESLEY	C
R333110	1998/03/10	TRANS POWER SALE		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
3R6870	1998/06/30	PLAN REFERENCE				C
R339206	1998/12/16	TRANSFER		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
3R7025	1999/03/29	PLAN REFERENCE				C
3R7194	2000/05/03	PLAN REFERENCE				C
R350936	2000/07/28	RELEASE		*** COMPLETELY DELETED ***		
		<i>REMARKS: PARTIAL, R283101</i>				
R353124	2000/11/06	TRANSFER EASEMENT			MUNICIPALITY OF ARRAN-ELDERSLIE	C
R356491	2001/05/14	TRANSFER EASEMENT			ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	C
R356492	2001/05/14	TRANSFER EASEMENT			ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	C
R356525	2001/05/15	ASSIGNMENT GENERAL				C
		<i>REMARKS: EASEMENT R356490</i>				
		<i>CORRECTIONS: TYPOGRAPHICAL ERROR CORRECTED ON 2010/01/04 BY DEANS, JULIANNE.</i>				
R358129	2001/07/20	AGR RIGHT OF WAY			THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE	C
R358130	2001/07/20	AGREEMENT			THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE	C
R358270	2001/07/27	ASSIGNMENT GENERAL				C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<i>REMARKS: MULTIPLE EASEMENTS</i>						
R373362	2003/03/31	TRANSFER		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
3R7734	2003/04/25	PLAN REFERENCE				C
3R7740	2003/05/05	PLAN REFERENCE				C
R375072	2003/05/30	TRANSFER		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
<i>REMARKS: BY DECLARATION UNDER SECTION 25 REGISTERED AS R399070</i>						
R376714	2003/07/23	TRANSFER		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
R377152	2003/08/07	TRANSFER		*** COMPLETELY DELETED ***	DURHAM FURNITURE INC.	
R377153	2003/08/07	CHARGE		*** COMPLETELY DELETED ***	ROYAL BANK OF CANADA	
R380920	2003/12/17	TRANSFER EASEMENT			HYDRO ONE NETWORKS INC.	C
R380921	2003/12/17	TRANSFER EASEMENT			HYDRO ONE NETWORKS INC.	C
BR23403	2008/12/23	LR'S ORDER		LAND REGISTRAR		C
<i>REMARKS: AMENDING T/N TO INCLUDE PT PARK LOT U PL 217 & PT RIVER ST PL 310 CLOSED BY CH7716, PT 5 3R7740</i>						
BR56748	2011/08/26	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR, BRUCE NO. 03		
<i>REMARKS: DELETING S/T R353124 AND R358129</i>						
BR60648	2011/12/16	APL (GENERAL)		*** COMPLETELY DELETED *** DURHAM FURNITURE INC.		
<i>REMARKS: DELETING R284818, R284819, R284820</i>						
BR60649	2011/12/16	APL (GENERAL)		*** COMPLETELY DELETED *** DURHAM FURNITURE INC.		
<i>REMARKS: DELETING R283101</i>						
BR61680	2012/01/20	TRANSFER	\$5,000,000	DURHAM FURNITURE INC.	GRS INVESTMENT INC.	C
<i>REMARKS: PLANNING ACT STATEMENTS</i>						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
BR62320	2012/02/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	<i>REMARKS: R377153.</i>					
BR62580	2012/02/24	CHARGE		*** COMPLETELY DELETED *** GRS INVESTMENT INC.	GALLUCCI, PAUL LAM, VINH TRUNG	
BR62581	2012/02/24	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** GRS INVESTMENT INC.	GALLUCCI, PAUL LAM, VINH TRUNG	
	<i>REMARKS: BR62580.</i>					
BR77861	2013/07/17	NOTICE		*** COMPLETELY DELETED *** GRS INVESTMENT INC.	GALLUCCI, PAUL LAM, VINH TRUNG	
	<i>REMARKS: BR62580</i>					
BR84564	2014/03/27	APL CH NAME OWNER		GRS INVESTMENT INC.	TURUSS (CANADA) INDUSTRY CO., LTD	C
BR84954	2014/04/10	APL CH NAME OWNER		TURUSS (CANADA) INDUSTRY CO., LTD	TURUSS (CANADA) INDUSTRY CO., LTD.	C
BR84955	2014/04/10	CHARGE		*** COMPLETELY DELETED *** TURUSS (CANADA) INDUSTRY CO., LTD.	HSBC BANK CANADA	
BR84957	2014/04/10	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** TURUSS (CANADA) INDUSTRY CO., LTD.	HSBC BANK CANADA	
	<i>REMARKS: BR84955</i>					
BR84969	2014/04/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** GALLUCCI, PAUL LAM, VINH TRUNG		
	<i>REMARKS: BR62580.</i>					
BR103672	2016/01/07	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
	<i>REMARKS: TAX LIEN</i>					
BR106528	2016/04/29	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		

LAND
REGISTRY
OFFICE #3

33183-0178 (LT)

PREPARED FOR CherieAM1
ON 2020/08/24 AT 11:07:59

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		<i>REMARKS: TAX LIEN</i>				
BR106844	2016/05/06	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: TAX LIEN</i>				
BR109847	2016/08/03	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: BR106844.</i>				
BR113929	2016/11/25	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: BR106528.</i>				
BR113930	2016/11/25	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: BR103672.</i>				
BR130075	2018/04/03	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: TAX LIEN</i>				
BR137134	2018/10/23	CHARGE	\$3,950,000	TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP	C
BR137135	2018/10/23	NO ASSGN RENT GEN		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP	C
		<i>REMARKS: BR137134</i>				
BR137539	2018/11/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
		<i>REMARKS: BR84955.</i>				
BR137680	2018/11/06	NO ASSGN RENT GEN		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP	C
		<i>REMARKS: BR137134</i>				
BR138500	2018/11/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		<i>REMARKS: BR130075.</i>				

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #3

33183-0178 (LT)

PREPARED FOR CherieAM1
ON 2020/08/24 AT 11:07:59

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
BR142592	2019/04/26	CHARGE		*** COMPLETELY DELETED *** TURUSS (CANADA) INDUSTRY CO., LTD.	JIA, QIAN	
BR144696	2019/06/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** JIA, QIAN		
	REMARKS: BR142592.					
BR153825	2020/03/13	CHARGE	\$550,000	TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG	C
BR153826	2020/03/13	NO ASSGN RENT GEN		TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG	C
	REMARKS: BR153825.					

TAB 2G

**THIS IS EXHIBIT "G"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario



PERSONAL PROPERTY SECURITY REGISTRATION
SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for : Gowling WLG (Canada) LLP - Hamilton - Ka
Reference : tannerk
Docket : A163450
Search ID : 777856
Date Processed : 8/7/2020 11:44:34 AM
Report Type : PPSA Electronic Response
Search Conducted on : TURUSS (CANADA) INDUSTRY CO., LTD.
Search Type : Business Debtor

DISCLAIMER :
This report has been generated using data provided by the Personal
Property Registration Branch, Ministry of Government Services,
Government of Ontario. No liability is undertaken regarding its correctness,
completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: TURUSS (CANADA) INDUSTRY CO., LTD.

FILE CURRENCY: August 6, 2020

RESPONSE CONTAINS: APPROXIMATELY 2 FAMILIES and 2 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: TURUSS (CANADA) INDUSTRY CO., LTD.

FILE CURRENCY: August 6, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 2

SEARCH : BD : TURUSS (CANADA) INDUSTRY CO., LTD.

00 FILE NUMBER : 744984351 EXPIRY DATE : 19OCT 2023 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20181019 1405 1590 1246 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: TURUSS (CANADA) INDUSTRY CO., LTD.
OCN :
04 ADDRESS : 60 INDUSTRIAL PARK ROAD
CITY : CHESLEY PROV: ON POSTAL CODE: N0G 1L0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
PILLAR CAPITAL CORP
09 ADDRESS : SUITE 920, 602 - 12TH AVENUE S.W.
CITY : CALGARY PROV: AB POSTAL CODE: T2R 1J3
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13
14
15

16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON

17 ADDRESS : ONE MAIN STREET WEST

CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: TURUSS (CANADA) INDUSTRY CO., LTD.

FILE CURRENCY: August 6, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 2

SEARCH : BD : TURUSS (CANADA) INDUSTRY CO., LTD.

00 FILE NUMBER : 744984378 EXPIRY DATE : 19OCT 2023 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20181019 1405 1590 1247 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: TURUSS (CANADA) INDUSTRY CO., LTD.
OCN :
04 ADDRESS : 60 INDUSTRIAL PARK ROAD
CITY : CHESLEY PROV: ON POSTAL CODE: N0G 1L0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
PILLAR CAPITAL CORP
09 ADDRESS : SUITE 920, 602 - 12TH AVENUE S.W.
CITY : CALGARY PROV: AB POSTAL CODE: T2R 1J3
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12

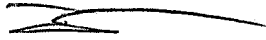
GENERAL COLLATERAL DESCRIPTION

13 GENERAL ASSIGNMENT OF RENTS, REVENUES AND LEASES AND THE PROCEEDS
14 THEREOF ON PROPERTY KNOWN MUNICIPALLY AS 60 QUEEN STREET NORTH,
15 CHESLEY, ONTARIO, BEING PINS 33183-0177(LT) AND 33183-0178(LT)
16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON
17 ADDRESS : ONE MAIN STREET WEST
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5
LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

TAB 2H

**THIS IS EXHIBIT "H"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Gertner, Thomas

From: Gertner, Thomas
Sent: September-04-20 8:38 AM
To: Gertner, Thomas
Subject: FW: CRA

From: Yang Jiang <jiangyang818@gmail.com>
Sent: November 15, 2019 2:41 PM
To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Re: CRA

Hi Keaton,

It is a small issue on my side which I could not get two documents which the new lender's lawyer requested on time, the two documents are needed to receive the signatures from the Tenant Bruce Power and Bruce Power has complicated procedures to have the documents signed as there are 2 different departments involved. Also the new Lender's lawyer is out of town for 2 weeks, he is coming back to the office December 2nd.

I agree to pay the fee of 0.75% of the outstanding balance. And also please forward me the statement for October payment.

Thanks a lot for your understanding.

have nice weekend.

Yang

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年11月14日周四 下午1:52写道 :

Yang,

I have been trying to reach you this morning on the closing but your phone is going straight to voicemail.

If this does not close this week the facility will be subject to a fee of 0.75% of the outstanding balance as the term of the loan expired October 24, 2019. This fee will be capitalized to the facility and for this fee we will grant you an extension of the loan term until December 24, 2019. We have yet to debit your account for the October payment but will do at the end of the week. You will also be responsible for the payment at the end of November.

Please let me know if we can close this week.

Thank you,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Steve Dizep <sdizep@pillarcapitalcorp.com>
Sent: November 14, 2019 9:12 AM
To: Yang Jiang <jiangyang818@gmail.com>
Cc: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Subject: Re: CRA

Yang,

We recommend you engage a new lawyer - your lawyer is supposedly 'too busy' to attend to the closing today and deferring until Dec sometime.

I would not accept this. Let us know if we can assist as we can recommend someone who will attend to this immediately.

Regards,

Steve Dizep

President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 619-9311

E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Tue, Nov 12, 2019 at 12:52 PM Yang Jiang <jiangyang818@gmail.com> wrote:

Hi Keaton,

Yes! The deal is closing on this Thursday.

Thanks

Yang

On Tue, Nov 12, 2019 at 2:45 PM Keaton O'Brien <kobrien@pillarcapitalcorp.com> wrote:

Hi Yang,

We are hearing through our counsel that this could close Thursday this week. Does that match what you are being told as well?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: sdizep@pillarcapitalcorp.com <sdizep@pillarcapitalcorp.com>

Sent: November 7, 2019 3:42 PM

To: Yang Jiang <jiangyang818@gmail.com>

Cc: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Subject: Re: CRA

Any update Yang ?

Steve Dizep

Pillar Capital Corp.

T 403-619-9311

On Nov 6, 2019, at 11:22 AM, Yang Jiang <jiangyang818@gmail.com> wrote:

Hi Keaton,

I need to attached the CRA payment confirmation in the closing documents. I haven't heard any updates from my lawyer today. I check with her and let you know the status.

thanks

thanks

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年11月6日周三 下午2:04写道 :

Hi Yang,

Thanks for forwarding. I will pass this along to our lawyer. Has this been provided to your counsel and the lawyer for your new lender?

Our lawyer has also indicated he is waiting for a call back from your lawyer. Do you know where the payout is at today?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>
Sent: November 6, 2019 11:21 AM
To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Re: CRA

Hi Keaton,

Yes! I did. Please see the attached confirmation. I did it yesterday after I talked to you. And the funds will be withdrawal from the Bank today as it could not make payment on the same day.

Thanks

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年11月6日周三 下午1:02写道 :

Hi Yang,

Have you made the payment to CRA?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>
Sent: October 31, 2019 2:28 PM
To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Re: CRA

Hi Keaton,

The adjustments confirmation letter has not sent out yet, I checked online web message. However, I am able to print out the detail adjustment transactions from CRA web after the audit. Please see the attachment. Hope this is ok for you.

Thanks

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年10月31日周四 下午2:13写道 :

Hi Yang,

I will confirm with our counsel on best way to handle payment.

Do you have something in writing from CRA confirming the amount you can send?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>

Sent: October 31, 2019 11:54 AM

To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>

Subject: Re: CRA

Hi Keaton,

I finally received the amount of the CRA claim is \$16,588.93 under payroll account (836795716RP0001). Are you going to including in the payout statement and you will pay to CRA for us after you receive the funds from my lawyer? Please advise.

Thanks

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年10月31日周四 下午12:01写道 :

Hi Yang,

Any update on CRA? I know your counsel is trying to close on the transaction today. In order for this to happen we need to know the amount of the CRA claim.

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Sent: October 30, 2019 1:28 PM

To: 'Yang Jiang' <jiangyang818@gmail.com>

Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>

Subject: RE: CRA

Thanks Yang. I will wait to receive from you later today.

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>
Sent: October 30, 2019 12:06 PM
To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Re: CRA

Hi Keaton,

I just called the auditor and she confirmed me that she will provide me the final amount before she leaves today. I forward it to you then.

Thanks

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年10月29日周二 下午1:16写道 :

Hi Yang,

Have you received the amount from CRA? Can you please forward?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>
Sent: October 28, 2019 10:39 AM
To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Re: CRA

Hi Keaton,

I was told that the finalized amount will be provided tomorrow morning. The auditor who did our work is not working today.

I will keep you posted.

And the closing date has been changed to October 31st, the lender's lawyer need more time to prepare the documents.

Thanks

Yang

On Mon, Oct 28, 2019 at 12:31 PM Keaton O'Brien <kobrien@pillarcapitalcorp.com> wrote:

Hi Yang,

Any update on the audit from Friday? Has CRA confirmed an amount?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>

Sent: October 23, 2019 2:03 PM

To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Subject: Re: CRA

Yes! I actually just finished the phone call with the auditor and I am going to meet her on Friday. CRA Commissioner did an estimate assessment with an amount based on 2018 records for the year 2019, however, I only have one employee in 2019. She doesn't believe, and she want to send the auditor to come to look all the documents and accounting records. After the audit, our account could set back as normal then.

Thanks

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2019年10月23日周三 下午3:49写道 :

Hi Yang,

Thanks for the update. Mrs. Middleton from CRA phoned me today to advise they have set up an auditor to review your books this Friday. She still would not provide me any amounts but

still maintains there is a deemed trust claim outstanding. Are you meeting with an auditor on Friday?

Thanks,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Yang Jiang <jiangyang818@gmail.com>

Sent: October 23, 2019 1:25 PM

To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Subject: CRA

Hi Keaton,

Regarding CRA, I am still waiting for her response on the confirmed amount now. I will call her back again tomorrow morning if she doesn't let me know today.

thanks

YANG JIANG

--

YANG JIANG

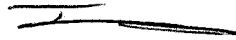
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YANG JIANG

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TAB 21

**THIS IS EXHIBIT "I"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Gertner, Thomas

From: Gertner, Thomas
Sent: September-04-20 8:29 AM
To: Gertner, Thomas
Subject: FW: Payment due December 31, 2019
Attachments: Turuss (Canada) Industry Co Ltd - Loan Statement (December 31, 2019).pdf

From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Sent: December 30, 2019 3:36 PM
To: 'Yang Jiang' <jiangyang818@gmail.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Payment due December 31, 2019

Hi Yang,

Further to Steve's email we are extending the term of your facility until January 24th. There will be a capitalized extension fee of 0.75%.

You are also required to make another payment on December 31, 2019. The amount of \$31,074.72 is due and we will debit your account for this amount tomorrow. Attached is an updated statement for your records.

Thanks,

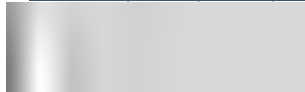
Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



TAB 2J

**THIS IS EXHIBIT "J"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Wilamowicz, Angelica

From: Gertner, Thomas
Sent: September-02-20 10:25 PM
To: Gertner, Thomas
Subject: FW: Payout

----- Forwarded message -----

From: Steve Dizep <sdizep@pillarcapitalcorp.com>
Date: Mon, Jun 22, 2020 at 3:09 PM
Subject: Re: Payout
To: Yang Jiang <jiangyang818@gmail.com>

Yang, can you please provide an update and status ?

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Mon, Jun 8, 2020 at 9:37 PM Steve Dizep <sdizep@pillarcapitalcorp.com> wrote:

Yang, please respond.

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Wed, Apr 8, 2020 at 12:31 PM Steve Dizep <sdizep@pillarcapitalcorp.com> wrote:

Good day Yang,

We really need to hear from you - given what is going on in the world and with our credit facility expired, it is best that we extend out until the end of the year - Dec 2020. This will provide sufficient time for you to refinance during this period.

Please respond to me.

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Mon, Apr 6, 2020 at 4:58 PM Steve Dizep <sdizep@pillarcapitalcorp.com> wrote:

Hi Yang,

Hope you are well during this time.

Assume we will need to formally renew your Pillar loan and prob best to extend out to Dec 2020 - this will give you ample time to complete the refinancing on your side and will be open for prepayment at any time.

Please advise if you would like to proceed. We've been past expiry for quite sometime and would like to firm this up immediately.

Also available for a call.

Regards,

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Mon, Mar 23, 2020 at 2:54 PM Keaton O'Brien <kobrien@pillarcapitalcorp.com> wrote:

Yang,

We have still not heard from you. Our calls go straight to your voicemail.

Our counsel issued Demands on March 6, 2020 and those have now expired. Without any communication from you we will have no choice but to proceed with additional enforcement actions. Please advise immediately if you intend to request a loan extension or if payout is still coming.

Thanks,

Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312



From: Steve Dizep <sdizep@pillarcapitalcorp.com>
Sent: February 24, 2020 11:55 AM
To: Yang Jiang <jiangyang818@gmail.com>
Cc: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Subject: Re: Payout

Yang,

Will need to hear from you at the end of the day today on an update otherwise we are forced to take other actions.

Regards,

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Thu, Feb 13, 2020 at 3:06 PM Yang Jiang <jiangyang818@gmail.com> wrote:

Hi Keaton,

I will reply you by the end of tomorrow how we are going to work on the loan extension with Pillar.

thanks a lot.

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2020年2月11日周二 下午12:20写道 :

Yang,

Please advise on my email below.

We will be forced to proceed with enforcement action if we do not hear from you.

Thanks,

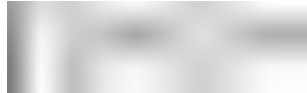
Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Sent: January 29, 2020 1:45 PM

To: 'Steve Dizep' <sdizep@pillarcapitalcorp.com>; 'Yang Jiang' <jiangyang818@gmail.com>

Subject: RE: Payout

Hi Yang,

Can you please confirm back to my email below?

Thank you,

Keaton O'Brien

Vice President, Operations

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com

www.pillarcapitalcorp.com

From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Sent: January 27, 2020 2:48 PM

To: 'Steve Dizep' <sdizep@pillarcapitalcorp.com>; 'Yang Jiang' <jiangyang818@gmail.com>

Subject: RE: Payout

Hi Yang,

Further to Steve's email we are at the point in which we need to formalize an agreement for the extension of the term. This will be in the form of an Amending Agreement. We will prepare and forward for your review and execution. We initially agreed to extend to December 24, 2019 for a fee of 0.75% capitalized to the facility. We then agreed to extend to January 24, 2020 for a fee of 0.75% capitalized to the facility. We are now willing to extend the term another month to February 24, 2020 under a formal amending agreement with no additional fees other than the fees already taken. If however the payout gets delayed again beyond February 24th we will have to revisit and there may be additional fees at that time.

Please confirm your acceptance of the above and I will provide an amending agreement for you to sign.

Thanks,

Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



From: Steve Dizep <sdizep@pillarcapitalcorp.com>
Sent: January 24, 2020 3:03 PM
To: Yang Jiang <jiangyang818@gmail.com>
Cc: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Subject: Re: Payout

Thanks for the immediate response Yang, appreciated.

Best we formalize a renewal for a few months to allow sufficient time to complete. Keaton will follow up on this Monday.

Regards,

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Fri, Jan 24, 2020 at 2:09 PM Yang Jiang <jiangyang818@gmail.com> wrote:

Hi Steve and Keaton,

Hope that you are doing well.

Regarding the 2 additional liens applied on Turuss (Canada) in December are from Employer Health Tax and WSIB.

With Employer Health Tax, I have fixed it, the lien has removed and the account is going to be closed. Our company doesn't need to pay employer health tax any more as our total annual gross payroll amount is less than \$450,000 since 2018, however, we didn't request to close the health tax account, and I don't know that we still need to do the annual reconciliation, and I didn't do it. Then Ontario Ministry of Finance did the estimation based our previous year's records. And in Health Tax system, it is still shown our company's old contact information, which caused that we don't receive any notices from Health Tax department.

I didn't know there is a lien regarding the employer's health tax account if the new lender's lawyer doesn't check and let me know.

With WSIB, it is caused wrong input data information by the staff from WSIB for the year 2015, 2016, 2017 and 2018. (Attachment is the adjustment statement for your reference, shown the wrong input information). I have no idea how they got the payroll information of our company and input into the system. to fix the problems, I did re-submitted the annual reconciliation for the year 2015, 2016, and 2017 and 2018. I am still waiting for the final adjustments from WSIB. I just called again to WSIB, our file now is on the higher level management to wait for process the adjustments. The agent from WSIB told me that it is obviously our company could not owe such much money. We actually overpaid on each previous year. I will call again next Monday.

The refinancing is still on going, and the new lender requests to remove the 2 liens. If the lien from WSIB could be removed next week, then the refinancing with new lender could be close in the first week of February. The closing time is now depending on when WSIB lien be removed.

In this situation, please advise what Pillar would like to do? Please let me know the suggestions from Pillar.

Thanks and have nice weekend.

YANG JIANG

Steve Dizep <sdizep@pillarcapitalcorp.com> 于2020年1月24日周五 下午1:23写道 :

Yang,

Can you please provide us with an update today - is the refinancing happening and if yes, when ? Your loan with Pillar has expired and recommend we formally renew / extend should the refinancing not be happening. We require an immediate response.

Please advise, thank you.

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

On Mon, Jan 20, 2020 at 12:35 PM Keaton O'Brien <kobrien@pillarcapitalcorp.com> wrote:

Hi Yang,

I still have not been able to reach you. Can you please respond?

Thanks,

Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Sent: January 9, 2020 2:38 PM
To: 'Yang Jiang' <jiangyang818@gmail.com>
Cc: 'Steve Dizep' <sdizep@pillarcapitalcorp.com>
Subject: RE: Payout

Hi Yang,

I have tried your number and your voicemail box is full. Can you please let us know the timing?

Thanks,

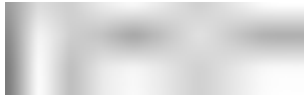
Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Sent: January 8, 2020 10:05 AM
To: 'Yang Jiang' <jiangyang818@gmail.com>
Cc: 'Steve Dizep' <sdizep@pillarcapitalcorp.com>
Subject: Payout

Hi Yang,

Can you please provide us with an update on the timing of the payout?

We have a forwarded email from Harry Hochman that indicated you would be dealing with the additional liens/shortfall by around Jan 10. Can we expect the payout shortly after?

Thanks,

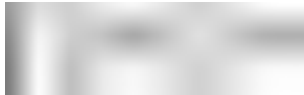
Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



From: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Sent: December 30, 2019 3:36 PM

To: 'Yang Jiang' <jiangyang818@gmail.com>

Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>

Subject: Payment due December 31, 2019

Hi Yang,

Further to Steve's email we are extending the term of your facility until January 24th. There will be a capitalized extension fee of 0.75%.

You are also required to make another payment on December 31, 2019. The amount of \$31,074.72 is due and we will debit your account for this amount tomorrow. Attached is an updated statement for your records.

Thanks,

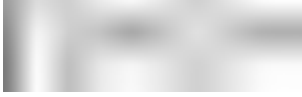
Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

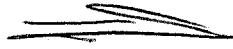
T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



TAB 2K

**THIS IS EXHIBIT "K"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**

A handwritten signature in black ink, consisting of several overlapping, fluid strokes.

A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

March 6, 2020

By Registered and Ordinary Mail

Turuss (Canada) Industry Co., Ltd.
Att: Yang Jiang
60 Queen Street North
Chesley, ON N0G 1L0

Turuss (Canada) Industry Co., Ltd.
60 Industrial Park Road
Chesley, ON N0G 1L0

Leigh Ann Sheather
T 905 540-3269
F 905 540-8208
leighann.sheather@gowlingwlg.com

Assistant: Cherie Mitchell
T 905 540-7113
File No. A163450

Re: Pillar Capital Corp. (the “Lender”) and Turuss (Canada) Industry Co., Ltd. (the “Borrower”)

We are the lawyers for the Lender in connection with certain credit facilities established by the Lender in favour of the Borrower (the “**Credit Facilities**”) pursuant to credit agreement dated October 16, 2018 and Promissory Note dated October 16, 2018 (collectively, as amended, restated, renewed, replaced, extended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). The Credit Facilities are either repayable on demand or an event of default has occurred in respect of the Credit Facilities which entitles the Lender to demand repayment of the Credit Facilities.

On behalf of our client, we hereby demand payment in full of the Borrower's indebtedness to the Lender (the “**Indebtedness**”) owing under the Credit Facilities, particulars of which are as follows:

Demand Facility	
Principal outstanding	\$1,979,154.14
Accrued interest	\$4,880.11
Interest accrues at 18.000% per year.	
Total indebtedness as at March 5, 2020	\$1,984,034.25

Interest on the Indebtedness has accrued and will continue to accrue to the date of payment at the relevant rates set out above. The exact amount of the Indebtedness and interest which will have accrued to any proposed date of payment may be obtained by contacting the undersigned. You will also be required to pay the Lender's legal and other expenses in connection with the Indebtedness.

Unless arrangements for payment of the Indebtedness, together with accrued interest and costs, are received by our office on behalf of the Lender by the close of business on **March 21, 2020**, we have instructions to commence litigation and take such other steps as are necessary to recover payment in full.

We enclose a Notice of Intention to Enforce Security in accordance with the provisions of the *Bankruptcy and Insolvency Act* (Canada).

Please direct any communications with respect to this matter to the undersigned.

Yours truly,

Gowling WLG (Canada) LLP

for  *nel*
Leigh Ann Sheather
LS: CM
Encl.

BANKRUPTCY AND INSOLVENCY ACT

FORM 86 Notice of Intention to Enforce Security (Rule 124)


TO: Turuss (Canada) Industry Co., Ltd., an insolvent person

Take notice that:

1. Pillar Capital Corp., a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - All property of the insolvent person charged by the security described below.
2. The security that is to be enforced is in the form of:
 - Mortgage in the principal amount of \$3,950,000.00 and General Assignment of Rents and Leases in favour of Pillar Capital Corp. dated October 24, 2018 and registered on October 23, 2018 as BR127134, BR137135 and BR137680 against certain real property municipally known as 60 Queen Street North, Chelsley, ON
 - General Assignment of Rents and Leases in favour of Pillar Capital Corp. dated October 24, 2018 and registered under the *Personal Property Security Act* (Ontario) on October 19, 2018 as reference file no. 744984378 (original registration no. 20181019 1405 1590 1247)
 - General Security Agreement dated October 24, 2018 in favour of Pillar Capital Corp. registered under the *Personal Property Security Act* (Ontario) on October 19, 2018 as reference file no. 744984351 (original registration no. 20181019 1405 1590 1246).
3. The total amount of indebtedness secured by the security as at March 5, 2020 is \$1,984,034.25.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.
5. The indebtedness as at any proposed date of payment will also include any fees, commissions, costs, expenses, currency fluctuations and other amounts that have been incurred by Pillar Capital Corp. for the account of Turuss (Canada) Industry Co., Ltd. and accrued and unpaid interest from now to the date of payment at the rates set out in each of the credit agreement dated as of October 16, 2018 and promissory note dated October 16, 2018 between Pillar Capital Corp., as lender, and Turuss (Canada) Industry Co., Ltd., as borrower, as amended, restated, renewed, replaced, extended, supplemented or otherwise modified from time to time.


Dated March 6, 2020

Pillar Capital Corp., secured creditor
by its lawyers
Gowling WLG (Canada) LLP
per:


Leigh Ann Sheather

POST OFFICE REGISTRATION RECEIPT

Mailed by Cherie Mitchell of
Gowling WLG (Canada) LLP

 **RN 393 558 906 CA**

Turuss (Canada) Industry Co., Ltd.
Att: Yang Jiang
60 Queen Street North
Chesley, ON N0G 1L0

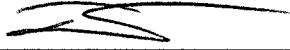
 **RN 393 558 897 CA**

Turuss (Canada) Industry Co., Ltd.
60 Industrial Park Road
Chesley, ON N0G 1L0

File Number: A163450-Turuss -Canada- Industry

TAB 2L

**THIS IS EXHIBIT "L"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**

A handwritten signature in black ink, consisting of a series of fluid, overlapping strokes that form a stylized, somewhat abstract shape.

A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Gertner, Thomas

From: Gertner, Thomas
Sent: September-04-20 8:43 AM
To: Gertner, Thomas
Subject: FW: Payment Due June 30, 2020

From: Yang Jiang <jiangyang818@gmail.com>
Sent: July 3, 2020 1:17 PM
To: Keaton O'Brien <kobrien@pillarcapitalcorp.com>
Cc: Steve Dizep <sdizep@pillarcapitalcorp.com>
Subject: Re: Payment Due June 30, 2020

Hi Keaton,

This is Amy on behalf of Yang.

Yang has not returned back to Canada yet, and I am taking care of her emails now. She is not able to access her gmail email in China. I have contacted her via WeChat, so she was looking for the account and the funds was not transferred from her saving account on time. She is asking you to make another debit for the due amount from the bank account on next Monday (July 6th) to avoid NSF this time. She has arranged the transfer from her saving account again.

Thanks and take good care.

Amy on behalf of Yang

YANG JIANG

Keaton O'Brien <kobrien@pillarcapitalcorp.com> 于2020年7月3日周五 下午12:27写道 :

Hi Yang,

Your payment has been returned NSF. We will make another attempt to debit your account today for the amount due. If this attempt is also returned NSF and given you have yet to respond to any of our requests (I also note your voicemail box is full) we will proceed with enforcement actions.

Please respond.

Thank you,

Keaton O'Brien

Vice President, Operations

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

T: (403) 970-9312

E: kobrien@pillarcapitalcorp.com | www.pillarcapitalcorp.com



From: Heather Anderson <handerson@pillarcapitalcorp.com>

Sent: June 23, 2020 8:00 AM

To: Yang Jiang <jiangyang818@gmail.com>

Cc: Keaton O'Brien <kobrien@pillarcapitalcorp.com>

Subject: Payment Due June 30, 2020

Good morning Yang,

Attached is an updated loan statement for your records. We will attempt to debit your account on Tuesday, June 30, 2020 for \$30,314.12.

Any questions or concerns, please let me know.

Thank you,

Heather Anderson

Credit Manager

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3

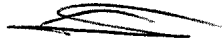
T: (403) 689-8226

E: handerson@pillarcapitalcorp.com | www.pillarcapitalcorp.com



TAB 2M

**THIS IS EXHIBIT "M"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1).

Treasurer's Office:
Municipality - Arran-Elderslie
PO Box 70
1925 Bruce Rd 10
Chesley ON
N0G 1L0

Cert. #: 2020-0097
File #:
Office Phone: (519) 363-3039
Toll Free:
Assessment Roll Number
41-03-380-002-03820-0000

GOWLINGS
SUITE 1600
1 FIRST CANADIAN PLACE
100 KING STREET WEST
TORONTO ON M5X 1G5

Mortgage Company None
Mortgage Number
Assessed Owners
TURUSS(CANADA)INDUSTRY CO LT
PO BOX 10
CHESLEY ON N0G 1L0

Statement showing arrears of taxes upon the following lands:

<u>Assessed Description</u>	<u>Tax Arrears</u>	<u>Pen/Int Arrears</u>	<u>Total Arrears</u>	<u>Year</u>
INDUSTRIAL PARK RD	592.00	0.00	592.00	2020
PLAN 217 PT PARK LOT T RP	667.61	67.19	734.80	2019
3R7734 PART 6	0.00	0.00	0.00	2018
	0.00	0.00	0.00	2017 and Prior
Frontage: 0.00 Acreage: 4.85 Depth: 0.00	1,259.61	67.19	1,326.80	
IX NS 52,000				

The total taxes levied on the above lands for the year 2020 were: \$1,209.42

Total amount paid to date (inclusive of amounts added to taxes for collection): \$0.00

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have (not) been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1)

Date: JUL 16, 2020 Fee 50.00 Authorized By Jessie Albright

NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% levied on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>		<u>RECEIVABLES</u>	
<u>TYPE</u>	<u>AMOUNT</u>	<u>TYPE</u>	<u>AMOUNT</u>
INTERIM TAX BILL	592.00	TOTAL CURRENT OWING	592.00
FINAL TAX BILL	617.42	TOTAL ARREARS OWING	667.61
*SUPP/OMIT	0.00	ARREARS INTEREST OWING	67.19
*WRITE OFF	0.00	CURRENT PENALTY OWING	0.00
*ARB	0.00	TOTAL OWING ON ACCOUNT	1,326.80
TOTAL LEVY	1,209.42	TOTAL NOT YET DUE	617.42
TOTAL MISCELLANEOUS CHARGES	0.00		
		<u>INSTALMENTS DUE</u>	
		08/26/2020	309.42
		10/26/2020	308.00
<u>LOCAL IMPROVEMENTS AND SPECIAL CHARGES</u>			
<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPIRY</u>	<u>DESCRIPTION</u>
			<u>AMOUNT</u>
			<u>EXPIRY</u>

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1)

Treasurer's Office:
Municipality - Arran-Elderslie
PO Box 70
1925 Bruce Rd 10
Chesley ON
N0G 1L0

Cert. #: 2020-0098
File #:
Office Phone: (519) 363-3039
Toll Free:
Assessment Roll Number
41-03-390-004-21200-0000

GOWLINGS
SUITE 1600
1 FIRST CANADIAN PLACE
100 KING STREET WEST
TORONTO ON M5X 1G5

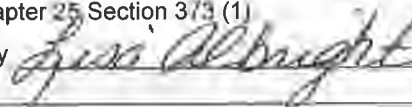
Mortgage Company None
Mortgage Number
Assessed Owners
TURUSS(CANADA)INDUSTRY CO LT
PO BOX 10
CHESLEY ON N0G 1L0

Statement showing arrears of taxes upon the following lands:

<u>Assessed Description</u>	<u>Tax Arrears</u>	<u>Pen/Int Arrears</u>	<u>Total Arrears</u>	<u>Year</u>
69 INDUSTRIAL PARK RD	6,011.00	0.00	6,011.00	2020
PLAN 217 PT PARK LOT U RP	6,155.30	619.74	6,775.04	2019
3R7734 PART 7	0.00	0.00	0.00	2018
	0.00	0.00	0.00	2017 and Prior
Frontage: 0.00 Acreage: 10.83 Depth: 0.00	12,166.30	619.74	12,786.04	
CT NS 437,100	The total taxes levied on the above lands for the year 2020 were: \$12,058.89			
CU NS 89,900	Total amount paid to date (inclusive of amounts added to taxes for collection): \$0.00			

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have (not) been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1)

Date: JUL 16, 2020 Fee: 50.00 Authorized By



NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% levied on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>		<u>RECEIVABLES</u>	
<u>TYPE</u>	<u>AMOUNT</u>	<u>TYPE</u>	<u>AMOUNT</u>
INTERIM TAX BILL	6,011.00	TOTAL CURRENT OWING	6,011.00
FINAL TAX BILL	6,047.89	TOTAL ARREARS OWING	6,155.30
*SUPP/OMIT	0.00	ARREARS INTEREST OWING	619.74
*WRITE OFF	0.00	CURRENT PENALTY OWING	0.00
*ARB	0.00	TOTAL OWING ON ACCOUNT	12,786.04
TOTAL LEVY	12,058.89	TOTAL NOT YET DUE	6,047.89
TOTAL MISCELLANEOUS CHARGES	0.00		
		<u>INSTALMENTS DUE</u>	
		08/26/2020	3,024.89
		10/26/2020	3,023.00
<u>LOCAL IMPROVEMENTS AND SPECIAL CHARGES</u>			
<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPIRY</u>	<u>DESCRIPTION</u>
			<u>AMOUNT</u>
			<u>EXPIRY</u>

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1).

Treasurer's Office:
Municipality - Arran-Elderslie
PO Box 70
1925 Bruce Rd 10
Chesley ON
N0G 1L0

Cert. #: 2020-0099
File #:
Office Phone: (519) 363-3039
Toll Free:
Assessment Roll Number
41-03-390-004-21301-0000

GOWLINGS
SUITE 1600
1 FIRST CANADIAN PLACE
100 KING STREET WEST
TORONTO ON M5X 1G5

Mortgage Company None
Mortgage Number
Assessed Owners
TURUSS(CANADA)INDUSTRY CO LT
PO BOX 10
CHESLEY ON N0G 1L0

Statement showing arrears of taxes upon the following lands:

<u>Assessed Description</u>	<u>Tax Arrears</u>	<u>Penalty Arrears</u>	<u>Total Arrears</u>	<u>Year</u>
60 INDUSTRIAL PARK RD	75,301.83	0.00	75,301.83	2020
PLAN 217 PT PARK LOT T AND U	151,451.14	19,519.12	170,970.26	2019
PLAN 310 LOTS 13 TO 34 36 TO	0.00	0.00	0.00	2018
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	2017 and Prior
Frontage: 0.00 Acreage: 16.55 Depth: 0.00	226,752.97	19,519.12	246,272.09	
LT NS 4,236,000	The total taxes levied on the above lands for the year 2020 were: \$148,436.66			

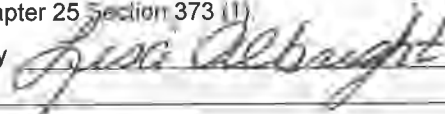
Total amount paid to date (inclusive of amounts added to taxes for collection): \$0.00

* Other outstanding amounts not included above:

00000101853 [Chesley Water Billing]	392.16
00000101854 [Chesley Water Billing]	0.00

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have (not) been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1)

Date: JUL 16, 2020 Fee: 50.00 Authorized By



NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% ~~levied~~ on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>		<u>RECEIVABLES</u>	
<u>TYPE</u>	<u>AMOUNT</u>	<u>TYPE</u>	<u>AMOUNT</u>
INTERIM TAX BILL	74,257.69	TOTAL CURRENT OWING	75,301.83
FINAL TAX BILL	74,178.97	TOTAL ARREARS OWING	151,451.14
*SUPP/OMIT	0.00	ARREARS INTEREST OWING	19,519.12
*WRITE OFF	0.00	CURRENT PENALTY OWING	0.00
*ARB	0.00	TOTAL OWING ON ACCOUNT	246,272.09
TOTAL LEVY	148,436.66	TOTAL NOT YET DUE	74,178.97
TOTAL MISCELLANEOUS CHARGES	0.00		

<u>INSTALMENTS DUE</u>	
	<u>AMOUNT</u>
08/26/2020	37,089.97
10/26/2020	37,089.00

LOCAL IMPROVEMENTS AND SPECIAL CHARGES

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPIRY</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPIRY</u>
GARBAGE-COMMERCIAL	92.00	2117			
SEWER CHESLEY IND FU	4,556.28	2117			
WATER CHESLEY DURHAM	6,473.10	2117			

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1).

Treasurer's Office:
Municipality - Arran-Elderslie
PO Box 70
1925 Bruce Rd 10
Chesley ON
N0G 1L0

Cert. #: 2020-0094
File #:
Office Phone: (519) 363-3039
Toll Free:
Assessment Roll Number
41-03-380-002-03810-0000

GOWLINGS
SUITE 1600
1 FIRST CANADIAN PLACE
100 KING STREET WEST
TORONTO ON M5X 1G5

Mortgage Company None
Mortgage Number
Assessed Owners
TURUSS(CANADA)INDUSTRY CO LT
PO BOX 10
CHESLEY ON N0G 1L0

Statement showing arrears of taxes upon the following lands:

<u>Assessed Description</u>	<u>Tax Arrears</u>	<u>Pen/Int Arrears</u>	<u>Total Arrears</u>	<u>Year</u>
60 INDUSTRIAL PAR RD	1,538.00	0.00	1,538.00	2020
PLAN 217 PT PARK LOT T RP	1,570.72	158.15	1,728.87	2019
3R7734 PART 4	0.00	0.00	0.00	2018
	0.00	0.00	0.00	2017 and Prior
Frontage: 0.00 Acreage: 2.29 Depth: 0.00	3,108.72	158.15	3,266.87	

IT NS 96,000 **The total taxes levied on the above lands for the year 2020 were: \$3,111.96**

Total amount paid to date (inclusive of amounts added to taxes for collection): \$0.00

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have (not) been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1)

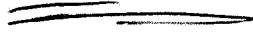
Date: JUL 13, 2020 Fee 50.00 Authorized By 

NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% per month on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>		<u>RECEIVABLES</u>	
<u>TYPE</u>	<u>AMOUNT</u>	<u>TYPE</u>	<u>AMOUNT</u>
INTERIM TAX BILL	1,538.00	TOTAL CURRENT OWING	1,538.00
FINAL TAX BILL	1,573.96	TOTAL ARREARS OWING	1,570.72
*SUPP/OMIT	0.00	ARREARS INTEREST OWING	158.15
*WRITE OFF	0.00	CURRENT PENALTY OWING	0.00
*ARB	0.00	TOTAL OWING ON ACCOUNT	3,266.87
TOTAL LEVY	3,111.96	TOTAL NOT YET DUE	1,573.96
TOTAL MISCELLANEOUS CHARGES	0.00		
		<u>INSTALMENTS DUE</u>	
		08/26/2020	787.96
		10/26/2020	786.00
<u>LOCAL IMPROVEMENTS AND SPECIAL CHARGES</u>			
<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPIRY</u>	<u>DESCRIPTION</u>
			<u>AMOUNT</u>
			<u>EXPIRY</u>

TAB 2N

**THIS IS EXHIBIT "N"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Court File No.

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

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

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondents

CONSENT TO ACT

MNP Ltd. hereby consents to act as receiver and manager over all of the assets, undertakings and properties of every nature and kind whatsoever and wherever situate, and all proceeds thereof, of Turuss (Canada) Industry Co., Ltd., in accordance with an order substantially in form of the receivership order sought and included in the Application Record of the Applicant.

DATED the 4th day of September, 2020.

MNP LTD.

Per: 

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

I have the authority to bind the corporation.

TAB 20

**THIS IS EXHIBIT "O"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**

A handwritten signature in black ink, consisting of a stylized, cursive 'K' or similar character.

A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Wilamowicz, Angelica

From: Steve Dizep <sdizep@pillarcapitalcorp.com>
Sent: August-19-20 11:51 AM
To: Gertner, Thomas; Glavota, Dom; Dalziel, Emma
Cc: Keaton O'Brien
Subject: Fwd: Outstanding invoices
Attachments: DOC071620-07162020160324.pdf

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Steve Dizep
President

Suite 920, 602 12th Ave SW | Calgary, AB | T2R 1J3
T: (403) 619-9311
E: sdizep@pillarcapitalcorp.com | www.pillarcapitalcorp.com

----- Forwarded message -----

From: THOMPSON Ford(F) - BRUCE POWER <Ford.THOMPSON@brucepower.com>
Date: Tue, Aug 11, 2020 at 11:10 AM
Subject: RE: Outstanding invoices
To: Yang Jiang <jiangyang818@gmail.com>
Cc: FELIX ALMONTE Ramon(R) - BRUCE POWER <Ramon.FelixAlmonte@brucepower.com>, MIRANDA Lisete(L) - BRUCE POWER <Lisete.Miranda@brucepower.com>, FITZGERALD Travis(TW) - BRUCE POWER <Travis.Fitzgerald@brucepower.com>, Steve Dizep <sdizep@pillarcapitalcorp.com>

Afternoon Yang –

I am a lawyer with Bruce Power and I am writing to inform you that Bruce Power received the attached notice of assignment of rents from Pillar Capital Corp, notifying Bruce Power that Turuss was in default under its mortgage with Pillar for the Chesley property. I have attached the notice for your reference.

This notice states that Pillar was assigned the right to receive payments from BP in connection with the lease to the Chesley property and directed Bruce Power to make all payments under the lease to Pillar. Pursuant to this notice, Bruce Power is legally obligated to send all payments under the lease to Pillar, rather than Turuss. We have made a number of payments of outstanding amounts due to Pillar and will continue to direct payments to Pillar until we receive alternate direction from Pillar or as otherwise legally required.

I have CCd Steve Dizep from Pillar Capital Corp and I would suggest you reach out to him to discuss the status of the mortgage.

Thanks,

Ford

Ford Thompson
Legal Counsel
Bruce Power Law Division, B10 06E, Room 6000E
Primary Number: 519-386-2491

Phone: 519-361-2673 x11336

Email: ford.thompson@brucepower.com

From: Yang Jiang [mailto:jiangyang818@gmail.com]

Sent: August 6, 2020 2:57 PM

To: FELIX ALMONTE Ramon(R) - BRUCE POWER

Cc: CLARK Elizabeth(EA) - BRUCE POWER; FITZGERALD Travis(TW) - BRUCE POWER; MIRANDA Lisete(L) - BRUCE POWER; Jamie Hingston

Subject: Outstanding invoices

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Felix

Hope that you are doing well.

We haven't receive any payments from Bruce Power since June 27th, 2020, especially the rent payment of June, July for the additional space 46,000sf and the rent of August for the space 116,000sf, as the lease agreement, it is no terms for the rent payment.

And also there are some outstanding invoices for the additional rent, such as property tax, utilities, etc.

I understand that Bruce Power is on the process to change the system. Please update when we expected to receive the payments.

Thanks a lot and take care.

YANG JIANG

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TAB 2P

**THIS IS EXHIBIT "P"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**



A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Wilamowicz, Angelica

From: Gertner, Thomas
Sent: August-27-20 2:21 PM
To: jiangyang818@gmail.com
Cc: Gertner, Thomas
Subject: Pillar Capital Corp. v. Turuss (Canada) Industry Co., Ltd.

Importance: High

Yang;

Good Afternoon;

As you know, we are counsel to Pillar Capital Corp. ("**Pillar**").

Please be advised that Pillar has booked a hearing date with the Ontario Superior Court of Justice [Commercial List] (the "**Court**"), for the hearing of an application, for among other things, an Order appointing MNP Ltd. as receiver and manager over all of the assets, property and undertakings of Turuss (Canada) Industry Co., Ltd. including the lands municipally known as 60 Queen Street North / 60 Industrial Park Road, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1986, c B-3 (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43.

The hearing has been scheduled with the Court for September 18, 2020 at 10:00 am EST, and will be heard via Zoom video-conference.

Our Application materials will be served shortly.

Please advise if you have counsel that will represent you in this matter.

Please also advise if there is a specific address these materials should be sent to in Canada (they will otherwise be sent by email and to the company's registered office).

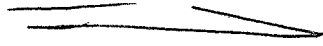
Finally should you or your counsel intend to attend the hearing please let me know and I can forward you the zoom instructions for the hearing.

Your immediate attention to this matter is required;

Regards;

TAB 2Q

**THIS IS EXHIBIT "Q"
REFERRED TO IN THE AFFIDAVIT OF
STEVE DIZEP SWORN BEFORE ME ON
SEPTEMBER 4, 2020**

A handwritten signature consisting of several horizontal strokes, appearing to be a stylized name.

A Commissioner for Oaths and Notary Public in
and for the Province of Ontario

Wilamowicz, Angelica

From: Jennifer Li <jennifer@relawoffice.com>
Sent: August-27-20 5:49 PM
To: Gertner, Thomas
Subject: Re: Turuss (Canada) Industry Co., Ltd.

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Hi Thomas,

I have not been engaged in this matter, and actually have not had any luck reaching my client in the past few weeks. As such, I cannot accept service on behalf of Turuss.

I have forwarded your email along to her to inquire as to who is acting for her and will let you know if I hear back.

Best Regards,
Jennifer

On Thu, Aug 27, 2020 at 5:00 PM Gertner, Thomas <Thomas.Gertner@gowlingwlg.com> wrote:

Jennifer;

Good Afternoon;

I understand you previously acted for Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) or its principal Jiang Yang.

We are counsel to Pillar Capital Corp. (“**Pillar**”).

Pillar has booked a hearing date with the Ontario Superior Court of Justice [Commercial List] (the “**Court**”), for the hearing of an application, for among other things, an Order appointing MNP Ltd. as receiver and manager over all of the assets, property and undertakings of Turuss (Canada) Industry Co., Ltd. including the lands municipally known as 60 Queen Street North.

I was hoping you would be able to let me know if you have been engaged on this matter and / or whether you would accept service on behalf of Turuss.

Kindly let me know;

Thank you

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References to 'Gowling WLG' mean one or more members of Gowling WLG International Limited and/or any of their affiliated businesses as the context requires. Gowling WLG (Canada) LLP has offices in Montréal, Ottawa, Toronto, Hamilton, Waterloo Region, Calgary and Vancouver.

--

Jennifer Li, B.A. (Hons.), J.D.
Barrister & Solicitor, Notary Public

Jennifer Li Professional Corporation
420 Highway 7 East, Suite 201
Richmond Hill, ON L4B 3K2
Office: (905) 597-7892
Fax: (905) 707-8809

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PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

Applicant

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

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

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF STEVE DIZEP

(Sworn 4, 2020)

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

Thomas Gertner (LSO# 67756S)

Tel: 416-369-4618

thomas.gertner@gowlingwlg.com

Solicitors for the Applicant

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 18TH
MR. JUSTICE HAINEY) 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 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Steve Dizep sworn September 4, 2020 and the Exhibits thereto, the pre-filing report of the proposed Receiver dated September[●], 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 [●], 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;

- (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;

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

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. 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.

26. THIS COURT ORDERS *nunc pro tunc* that service of the Notice of Application and the Application Record on the Respondent, by courier and email to the following addresses is valid and effective service of the Notice of Application and the Application Record and that the effective date of service shall be the date the Applicant sent the Notice of Application and the Application Record, by courier and email:

Courier: 60 Queen Street North / 60 Industrial Park
Road, Chesley, Ontario

Email: jiangyang818@gmail.com

27. 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 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>.

28. 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 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

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

SCHEDULE "A"

DESCRIPTION OF REAL PROPERTY

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

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

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "**Receiver**") of the assets, undertakings and properties Turuss (Canada) Industry Co., Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 18 day of September, 2020 (the "**Order**") made in an action having Court file number __-CL-_____, 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.

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

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

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

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

GOWLING WLG (CANADA) LLP

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Solicitors for the Applicant

TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~FRIDAY, THE #18TH
)
MR. JUSTICE HAINES) DAY OF ~~MONTH~~SEPTEMBER, ~~20YR~~2020

~~PLAINTIFF~~¹

Plaintiff

PILLAR CAPITAL CORP.

Applicant

- and -

~~DEFENDANT~~

Defendant

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

ORDER
(appointing Receiver)

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant 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

¹The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

²Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ MNP Ltd. ("MNP") as receiver ~~{and manager}~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ 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 at 330 University Avenue, Toronto, Ontario.

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

SERVICE

~~1. — THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.~~

APPOINTMENT

~~1.~~ 2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ 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, ~~including and~~ all proceeds thereof (collectively, the "Property"), including but not limited to the lands and premises listed in Schedule "A" hereto (the "Real Property").

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

RECEIVER'S POWERS

2. ~~3.~~ **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;
- (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.⁴ 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;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the case

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (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;

~~⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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

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.⁶

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

⁶~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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 "**AB**" 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. —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.

26. THIS COURT ORDERS *nunc pro tunc* that service of the Notice of Application and the Application Record on the Respondent, by courier and email to the following addresses is valid and effective service of the Notice of Application and the Application Record and that the effective date of service shall be the date the Applicant sent the Notice of Application and the Application Record, by courier and email:

Courier: 60 Queen Street North / 60 Industrial Park
Road, Chesley, Ontario

[Email: jiangyang818@gmail.com](mailto:jiangyang818@gmail.com)

27. ~~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>.

28. ~~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 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

29. 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 a trustee in bankruptcy of the Debtor. ~~trustee in the Debtor's bankruptcy.~~

30. ~~27.~~ 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.

~~28. — THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.~~

31. ~~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.

32. ~~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.

33. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Applicant's security or, if not so provided by the ~~Plaintiff~~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.

34. ~~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.

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 ~~[RECEIVER'S NAME]~~ MNP Ltd., the receiver (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ Turuss (Canada) Industry Co., Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 18 day of September, 2020 (the "**Order**") made in an action having Court file number -CL-, 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.

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__.

~~[RECEIVER'S NAME]~~ MNPLTD., 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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

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Toronto ON M5X 1G5

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Solicitors for the Applicant

Input:	
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Document 2 ID	PowerDocs://TOR_LAW/10442536/4
Description	TOR_LAW-#10442536-v4-Pillar,_Turuss_(Canada),_Receivership_Order
Rendering set	Firm Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	123
Deletions	95
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	222

PILLAR CAPITAL CORP.

- and -

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

PROCEEDING COMMENCED AT TORONTO

**APPLICATION RECORD
(Returnable September 18, 2020)**

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Solicitor for the Applicant