

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

THE HONOURABLE) MONDAY, THE 7th
)
JUSTICE DUNPHY) DAY OF JUNE, 2021

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

-and-

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd., in its capacity as court appointed receiver and manager (the “**Receiver**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Chelsea APA**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**”) dated May 31, 2021, and vesting in the Purchaser all of Turuss (Canada) Industry Co., Ltd.’s (“**Turuss**”) right, title, benefit and interest in and to the assets described in the Chelsea APA, including, without limitation, the lands legally described in **Schedule B1** and **Schedule B2** hereto (collectively, the “**Purchased Assets**”), was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the Motion Record of the Receiver dated June 1, 2021 (the “**Motion Record**”), the Factum of the Receiver dated June 4, 2021 and corresponding Book of Authorities (collectively, the “**Factum**”), the Sixth Report of the Receiver dated June 1, 2021 (the “**Sixth Report**”), the Affidavit of Jerry Henechowicz sworn May 20, 2021 and Affidavit of Robert

Kennedy sworn May 31, 2021 (collectively, the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Receiver, the Purchaser and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Amanda Campbell sworn June 1, 2021, filed:

SERVICE

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

APPROVAL AND VESTING

2. **THIS COURT ORDERS** that capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Chelsea APA.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Chelsea APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the “**Receiver’s Certificate**”):

- (a) all of Turuss’ right, title, benefit and interest in and to the Purchased Assets described in the Chelsea APA, including the lands legally described in **Schedule B1** hereto, but excluding the lands legally described in **Schedule B2** hereto, shall vest absolutely in the Purchaser; and
- (b) all of Turuss’ right, title, benefit and interest in and to the lands legally described in **Schedule B2** hereto, shall vest absolutely in Chelsea Developments Corp.;

in each case, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated September 18, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C1** and on **Schedule C2** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D1** and on **Schedule D2** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a transfer/deed of land or equivalent document, or of an application for registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter:

- (a) the Purchaser as the owner of the real property legally described in **Schedule B1** hereto in fee simple, and is hereby directed to delete and expunge from title to the real property legally described in **Schedule B1** hereto all of the Claims listed in **Schedule C1** hereto; and
- (b) Chelsea Developments Corp. as the owner of the real property legally described in **Schedule B2** hereto in fee simple, and is hereby directed to delete and expunge from title to the real property legally described in **Schedule B2** hereto all of the Claims listed in **Schedule C2** hereto.

6. **THIS COURT AUTHORIZES AND DIRECTS** the Receiver and / or its solicitors or its agents to file one or more financing change statements to discharge the *Personal Property Security Act* (Ontario) registrations set forth in **Schedule E**.

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

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

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

the vesting of the Purchased Assets in the Purchaser and Chelsea Developments Corp., pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Turuss and shall not be void or voidable by creditors of Turuss, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

DISTRIBUTIONS

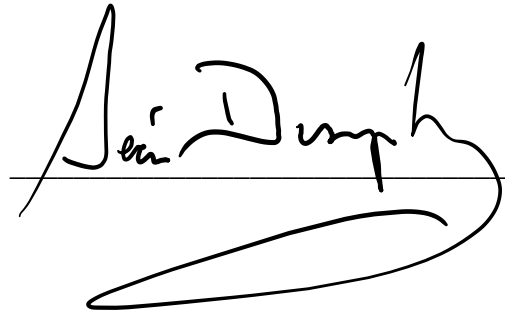
10. **THIS COURT ORDERS** that the Receiver is authorized and directed to make a distribution to:

- (a) Pillar Capital Corp, for the following amounts:

- (i) \$2,124,275.86, representing the principal amount indicated in the Pillar Capital Payout statement dated May 21, 2021 contained in Appendix “O” of the Motion Record (the “**Pillar Payout Statement**”) for the demand credit facility; and
 - (ii) \$599,959.94, representing the principal amount indicated in the Pillar Payout Statement for the Receiver’s borrowings.
- (b) Kuo-Tong Hsieh (“**Hsieh**”), for the following amounts:
- (i) \$550,000, representing the principal amount indicated in the Hsieh payout statement dated December 21, 2020 for the collateral mortgage.

GENERAL

11. **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.

A handwritten signature in black ink, appearing to read "Sean Dunphy", is written over a horizontal line. Below the line is a large, sweeping, horizontal flourish.

Schedule A – Form of Receiver’s Certificate

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

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

THE HONOURABLE JUSTICE ●) DAY, THE ● DAY OF
) ●, 2021
)

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

and

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

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

B. Pursuant to an Order of the Court dated ____, 2021, the Court approved the asset purchase agreement made as of May 31, 2021 (the “**Chelsea APA**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of Turuss’

right, title and interest in and to the Purchased Assets including the property identified by PIN 33183-0178, save and except that the property identified as PIN 33183-0177 which shall vest in Chelsea Developments Corp., which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Chelsea APA have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Chelsea APA.

THE RECEIVER CERTIFIES the following:

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

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

Per: _____

Name:

Title:

Schedule B1 – Description of Lands

PIN	Legal Description
331830178	LT 13-34, 36-47, 50-61, 65-76, 80-91, 96-101 PL 310; MCGAW ST, HIGH ST PL 310 S/T & T/W R376714; PT PARKLT T, U PL 217 & PT RIVER ST PL 310 CLOSED BY CH7716, PT 1 & 5 3R7740, PT 1, 2, 4 3R7734; PT FAIRVIEW AV, RIVER ST PL 310 PT 1, 2, 4 3R4763, PT 11 3R7734 CLOSED BY R374503, PT 1, 2, 3 3R6870 CLOSED BY R339205, PT 6, 7 3R4763 CLOSED BY CH7716; PT LANE PL 310 CLOSED BY CH7716, BTN LT 13 TO 22 PL 310; LANE LYING NORTHERLY OF LT 23 TO 32, PL 310; PT LANE PL 310 LYING EASTERLY AND ABUTTING LT 32 TO 34, PL 310 CLOSED BY R374503 PT 7, 8, 9 3R7740; LANE PL 310 BTN HIGH ST AND MCGRAW ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN RIVER ST AND HIGH ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN LT 40 TO 43, 54 TO 57, 69 TO 72, 84 TO 87, 100 & 101 PL 310, CLOSED BY R374503; LANE PL 310 BTN LT 100 & 101; PT LORNE ST PL 310 PT 3 3R7740, S/T R377152, PT 9, 10 3R7734, S/T R375072, CLOSED BY R374503;S/T R278375,R324241, R356491, R356492, R380920, R380921 MUNICIPALITY OF ARRAN-ELDERSLIE

Schedule B2 – Description of Lands

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

Schedule C1 – Claims to be deleted and expunged from title to Real Property

PIN: 33183-0178 (LT)

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

Schedule C2 – Claims to be deleted and expunged from title to Real Property

PIN: 33183-0177 (LT)

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

**Schedule D1 – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

“Permitted Encumbrances” means the following:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel registers for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other non-compliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property; and
10. Without in any way limiting the generality of any of the foregoing, the following specific instruments registered on title against the Property:

PIN: 33183-0178 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R1656	1976/11/25	PLAN REFERENCE		
3R4763	1989/10/02	PLAN REFERENCE		
3R5253	1991/01/29	PLAN REFERENCE		
R278375	1991/07/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
R324241	1997/01/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
3R6870	1998/06/30	PLAN REFERENCE		
3R7025	1999/03/29	PLAN REFERENCE		
3R7194	2000/05/03	PLAN REFERENCE		
R353124	2000/11/06	TRANSFER EASEMENT		MUNICIPALITY OF ARRAN-ELDERSLIE
R356491	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION
R356492	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION
R356525	2001/05/15	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
R358129	2001/07/20	AGREEMENT RIGHT OF WAY		THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358130	2001/07/20	AGREEMENT	810793 ONTARIO LIMITED	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358270	2001/07/27	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
3R7734	2003/04/25	PLAN REFERENCE		

3R7740	2003/05/05	PLAN REFERENCE		
R380920	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
R380921	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
BR23403	2008/12/13	LAND REGISTRAR'S ORDER		

**Schedule D2 – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

“Permitted Encumbrances” means the following:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel registers for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other non-compliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property; and
10. Without in any way limiting the generality of any of the foregoing, the following specific instruments registered on title against the Property:

PIN: 33183-0177 (LT)

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

Schedule E – PPSA Registrations to be Deleted

PPSA Registration Number	PPSA Registration Date	Debtor	Secured Party	Collateral	Collateral Description	Registration Period
20181019 1405 1590 1246	October 19, 2018	Turuss (Canada) Industry Co., Ltd.	Pillar Capital Corp	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	None	5 Years
20181019 1405 1590 1247	October 19, 2018	Turuss (Canada) Industry Co., Ltd.	Pillar Capital Corp	Accounts and Other	General assignment of rents, revenues and leases and the proceeds thereof on property known municipally as 60 Queen Street North, Chesley, Ontario, being PINs 33183-0177(LT) and 33183- 0178(LT)	5 Years

Current to May 31, 2021

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

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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