Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

MOTION RECORD
(Returnable July 15, 2015)

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TO: THE SERVICE LIST

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

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Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

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TAB 1

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

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Applicants

NOTICE OF MOTION

(Returnable July 15, 2015)

THE APPLICANTS will make a motion to a Judge of the Commercial List on Wednesday, July 15, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR: an order:

1. abridging the time for service of this motion;

2. extending the Stay Period, as defined in paragraph 11 of the Initial Order of Justice Newbould (the "**Initial Order**") dated December 17, 2013 (the "**Filing Date**") to and including March 31, 2016;

3. approving the Eighth Report of Grant Thornton Limited, in its capacity as Court-appointed Monitor of the Applicants (the "**Monitor**") and the Ninth Report of the Monitor (collectively, the "**Reports**"), and the activities described therein;

4. approving the fees of the Monitor and its legal counsel as described in the Reports;

5. approving the Monitor's interim statement of the Applicants' receipts and disbursements from December 17, 2013 to and including July 6, 2015; and

6. granting such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Applicants are affiliated Ontario corporations owned by Imran Jinnah.

2. Silver Streams Homes Inc. ("**Silver Streams**") is a residential homebuilder in the Greater Toronto Area. As at the Filing Date, Silver Streams was in the process of completing a project located at Bathurst Street and King Road in Richmond Hill, Ontario (the "**Puccini Project**"). Silver Streams Homes (Puccini) Inc. ("**Puccini**") was incorporated for the purpose of selling the homes in the Puccini Project.

3. The Puccini Project was being built in four phases. Title to the lands in Phases I, II and III are in the names of the Applicants which are numbered companies. Title to the Phase IV lands is in the name of 2148991 Ontario Inc., a non-debtor in these proceedings. Construction of Phase IV did not commence prior to the commencement of this proceeding. Since the commencement of this proceeding, the Phase IV lands have been sold under power of sale.

4. On December 17, 2013, the Applicants obtained protection from their creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to the Initial Order.

5. The Initial Order also approved a stay of proceedings as against the Applicants until January 16, 2014 or such later date as the Court may order. The stay of proceedings has been extended by previous orders of this Court to July 16, 2015.

6. At the time of the CCAA filing, there were 10 remaining homes in Phases II and III of the Puccini Project that were in various stages of completion (the "**Puccini Homes**"). The purpose of the CCAA proceeding is to complete and/or sell the Puccini Homes and to pay the net sale proceeds, after payment of operating costs and the costs of these proceedings, to satisfy their creditors' claims in the priority to be determined by the Court.

7. Nine out of ten Puccini Homes have now been sold with the approval of the Court. The remaining unsold Puccini Home is vacant land. The Applicants' are continuing to market this land for sale as a vacant lot.

8. The Applicants' loans to their senior mortgage holders have been paid in full from the proceeds of the Puccini Homes, subject to reimbursement agreements.

9. The net proceeds from the sale of the Puccini Homes, following payment of the senior secured mortgage holders' claims and certain other settled claims are subject to a priority dispute between a group of private mortgage holders (the "**Private Mortgagees**") and construction lien claimants (the "**Lien Claimants**").

10. Pursuant to an order of the Court dated January 8, 2015 (the "**Construction Claims Order**"), the determination of the priority dispute between the Private Mortgagees and the Lien Claimants has been referred to arbitration (the "**Arbitration**") and Duncan Glaholt has been appointed as arbitrator.

11. The hearing of preliminary issues in the Arbitration is currently scheduled to commence on August 31, 2015 and the hearing of the balance of the issues in the Arbitration will likely take place in November 2015. A final decision of the arbitrator will not likely be received until the end of 2015. Pursuant to the terms of the Construction Claims Order, parties maintain their right to appeal the determination of the arbitrator to the Divisional Court in accordance with the CCAA.

12. Following the resolution of the Arbitration, the Applicants and/or the Monitor, as applicable, will bring a motion for an order authorizing them to make distributions in accordance with the arbitrator's decision and to terminate these CCAA proceedings and discharge the Monitor.

13. The stay of proceedings expires on July 16, 2015. The Applicants seek an extension of the stay period to and including March 31, 2016 to: (i) to allow the Arbitration to be carried out; and (ii) to continue the marketing process for the remaining Puccini Home.

14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

15. The Applicants also rely upon the following:

    (a) Section 11.02 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

    (b) Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended; and

    (c) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

16. The Affidavit of Imran Jinnah, sworn July 7, 2015;

17. The Monitor's Ninth Report to the Court; and

18. Such other material as counsel may advise and this Honourable Court may permit.

July 7, 2015

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Lawyers for the Applicants

TO: THE SERVICE LIST

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the Applicants

Court File No. CV-13-10362-00-CL

ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY

Proceedings commenced at TORONTO

NOTICE OF MOTION

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TAB 2

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

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Applicants

AFFIDAVIT OF IMRAN JINNAH

I, Imran Jinnah, of the Town of Richmond Hill, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the sole officer, director and shareholder of the Applicants, Silver Streams Homes Inc. ("**Silver Streams**"), Silver Streams Homes (Puccini) Inc. ("**Puccini**"), 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**"). As such, I have personal knowledge of the matters to which I dispose in this affidavit, save and except for such facts or matters which are stated to be based on information and belief and where so stated, I believe same to be true.

2. I swear this affidavit in support of the Applicants' motion for an order extending the Stay Period, as defined in paragraph 11 of the Initial Order of Justice Newbould dated December 17, 2013 (the "**Initial Order**") to and including March 31, 2016.

BACKGROUND AND CCAA PROCEEDING

3. The Applicants are affiliated companies owned by me. Silver Streams is a residential homebuilder in the Greater Toronto Area. As at the Filing Date (as defined below), Silver Streams was in the process of completing a project in Richmond Hill, Ontario referred to in these

proceedings as the "**Puccini Project**". The Puccini Project was comprised of four phases. With the exception of ten homes in various stages of completion, the construction of Phase I, II and III homes was substantially completed as at the Filing Date.

4. The construction of Phase IV was not commenced prior to the commencement of the CCAA proceeding. Since the commencement of this CCAA proceeding, the Phase IV lands have been sold under power of sale.

5. Title to the lands in Phases I, II and III are registered in the names of the numbered company Applicants. Title to the lands in Phase IV is registered in the name of a corporation affiliated with the Applicants which is not a party to these CCAA proceedings. Puccini was incorporated for the purpose of selling the homes in the Puccini Project.

6. On December 17, 2013 (the "**Filing Date**"), the Applicants obtained protection from their creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to the Initial Order. A copy of the Initial Order is attached hereto as **Exhibit "A"**.

7. The Initial Order appointed Grant Thornton Limited as Monitor of the Applicants in these proceedings. Pursuant to paragraph 17(k) of the Initial Order, the Monitor was directed and empowered to exercise control over the receipts, disbursements and bank accounts of the Applicants and to receive and collect all monies and accounts of the Applicants in respect of the Applicants' property.

8. The Initial Order also granted a stay of proceedings as against the Applicants until and including January 16, 2014 or such later date as the Court may order. The stay of proceedings has been extended by previous orders of this Court to July 16, 2015.

PUCCINI HOMES

9. At the time of the CCAA filing, there were 10 remaining homes in Phases II and III of the Puccini Project that were in various stages of completion (the "**Puccini Homes**").

10. As was described in my affidavits previously filed in these proceedings, the objective of the Applicants' CCAA proceeding is to complete and sell the Puccini Homes and to pay the net sale proceeds, after payment of operating costs and the costs of these proceedings, to satisfy their creditors' claims in the priority to be determined by the Court.

11. Attached hereto as **Exhibit "B"** is a copy of my Affidavit (without exhibits) sworn December 17, 2014, in support of the Applicants' last stay extension motion (the "**December Affidavit**").

12. At the time of the Applicants' last stay extension motion, nine out of ten of the Puccini Homes had been sold by the Applicants with the approval of the Court with eight out of the nine transactions completed. The transaction for the sale of the ninth home, municipally known as 60 Puccini Drive, Richmond Hill, Ontario closed on January 30, 2015.

13. As at the date of this affidavit only one Puccini Home remains unsold, Lot 18, Phase III of the Puccini Project ("**Lot 18**"). Lot 18 is a vacant lot and is being marketed for sale as vacant land. The Applicants continue to market Lot 18 for sale directly and by working with agents.

14. As discussed in my previous affidavits filed in these proceedings, Lot 18 was supposed to be developed at the same time as Phase IV of the Puccini Project. As a result, Lot 18 was not serviced by the Applicants and the Applicants had difficulty selling an unserviced lot.

15. The developer of properties adjacent to Lot 18 is in the process of servicing its lands and Lot 18 will be the beneficiary of these services. The Applicants expect that the servicing of Lot 18 will increase its marketability and price. It is anticipated that the servicing will be completed by the end of the summer of 2015.

TARION REGISTRATION

16. In the summer of 2014, contrary to my previous understanding, I learned for the first time that Puccini was not registered as a vendor under the *Ontario New Home Warranties Plan Act,* R.S.O. 1990, c. O.31 (the "**Warranties Act**").

17. To remedy the issues raised by Puccini not being a properly registered vendor, I, on behalf of myself and the Applicants, entered into a settlement agreement Tarion Warranty Corporation ("**Tarion**") pursuant to which, *inter alia*, all of Puccini's rights, interests and obligations under the sale agreements for the Puccini Homes were assigned to Silver Streams (the "**Settlement Agreement**").

18. A number of the Lien Claimants objected to the Settlement Agreement. On June 25, 2015, the Applicants brought a motion for an order: (a) declaring that the Applicants have the requisite authority to enter into the Settlement Agreement; or, in the alternative (b) approving the Settlement Agreement. The Applicants' motion was heard by the Honourable Mr. Justice Wilton-Siegel. Following the hearing of the motion, His Honour reserved on his decision and the determination of the motion is pending as at the date of my affidavit.

THE CLAIMS PROCESS

19. On January 16, 2014, this Court granted, among other things, an order (the "**Claims Process Order**") approving a claims process for the purpose of determining the validity, quantum and priority of secured claims against the Applicants' Property (as defined in the Claims Process Order) (the "**Claims Process**"). A copy of the Claims Process Order is attached hereto as **Exhibit "C"**.

20. Pursuant to the Claims Process Order, the Claims Process is being administered by the Monitor with the assistance of the Vetting Committee (as defined in the Claims Process Order). The Claims Process Order established a claims filing deadline of 5:00 pm on February 14, 2014.

21. An update on the Claims Process was provided by the Monitor in its Seventh Report to the Court dated December 19, 2014 (the "**Seventh Report**"). A copy of the Seventh Report without appendices is attached hereto as **Exhibit "D"**. I am advised by the Monitor, that a further update on the Claims Process will be set out in the Monitor's Ninth Report.

22. As described in greater detail in my December Affidavit and in the Seventh Report, the Applicants' loans to the senior mortgage holders have been paid in full, subject to reimbursement agreements.

23. The net proceeds from the sale of the Puccini Homes, following payment of the senior secured mortgage holders' claims and certain other settled claims described in my December Affidavit, are subject to a priority dispute between a group of private mortgage holders (the "**Private Mortgagees**") and construction lien claimants (the "**Lien Claimants**").

24. On January 8, 2015, the Court granted, among other things:

(a) an order (the "**Construction Claims Order**"), among other things, referring the determination of the priority dispute between the Private Mortgagees and the Lien Claimants to an arbitration (the "**Arbitration**"); and

(b) an order extending the stay period to July 16, 2015.

25. I am advised by Maya Poliak, a lawyer with Chaitons LLP, counsel for the Applicants, that Duncan Glaholt was appointed arbitrator by the Court with respect to the Arbitration. I am further advised by Ms. Poliak that: (i) the hearing of preliminary issues in the Arbitration is currently scheduled to commence on August 31, 2015; (ii) the hearing of the balance of the issues in the Arbitration will likely take place in November 2015; and (iii) the final report by the arbitrator will be received on or around the end of 2015.

STAY EXTENSION

26. The Initial Order included a stay of proceedings as against the Applicants until and including January 16, 2014 or such later date as the Court may order. On January 8, 2015, the stay of proceedings was extended to July 16, 2015.

27. To minimize the ongoing costs of the CCAA proceeding, the Applicants have wound down their operations and expenses in the CCAA proceeding. The Applicants closed their sale office and further reduced their staff to one full time employee, my wife Asma Jinnah and one part time employee. Mrs. Jinnah has agreed to waive her management fees until the completion of these CCAA proceedings, although she is continuing to manage any of the Applicants' ongoing obligations to the purchasers of the Puccini Homes and market the vacant lot for sale.

28. A decision of the arbitrator in the Arbitration is not anticipated until the end of 2015. Pursuant to the terms of the Construction Claims Order, all parties maintain their right to appeal the determination of the arbitrator to the Divisional Court in accordance with the CCAA. Accordingly, it is not likely that there will be a final resolution of the Arbitration until the spring of 2016.

29. Following the resolution of the Arbitration, the Applicants and/or the Monitor, as applicable, will bring a motion for an order authorizing them to make distributions in accordance with the arbitrator's decision and to terminate these CCAA proceedings and discharge the Monitor.

30. The Applicants seek an extension of the stay period to and including March 31, 2016 to: (i) to allow the Arbitration to be carried out; and (ii) to continue the marketing process for the remaining Puccini Home.

31. In connection with the Applicants' request for the stay extension, the Applicants, with the assistance of the Monitor, have been working to prepare cash flow projections for the time period commencing July 2015 and ending on March 30, 2016 (the "**Cash Flow**"). A copy of the Cash Flow is attached hereto as **Exhibit "E"**. The Cash Flow demonstrates that the Monitor holds sufficient

cash on hand to fund these CCAA proceedings until the expiration of the proposed stay of proceedings.

32. I swear this affidavit in support of the Applicants' motion for the relief set out in the Applicants' notice of motion no improper purpose.

SWORN before me at the City of Toronto, Province of Ontario, this 7th day of July, 2015	))))))	**Imran Jinnah**
A Commissioner, Etc. Maya Poliak		

THIS IS **EXHIBIT "A"** REFERRED TO IN THE

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 7th DAY OF JULY, 2015

Court File No. 12-10362-00-CL
3 25

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 17TH
	)	
JUSTICE NEWBOULD	)	DAY OF DECEMBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. and 2147650 ONTARIO INC.

the "Applicants"

INITIAL ORDER

THIS APPLICATION, made by Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc. (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Imran Jinnah sworn December 11, 2013 and the Exhibits thereto (the "**Jinnah Affidavit**"), the Proposed Monitor's Report to the Court and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, Grant Thornton Limited (as the proposed Monitor), counsel for Bank of Montreal, counsel for Foremost Mortgage Corporation, counsel for the private secured lenders, counsel for certain lien claimants, counsel for the Corporation of the Town of Richmond Hill, and such other counsel as are present, no one else appearing although duly served as appears from the affidavit of service of Lynn Lee sworn December 12, 2013 and on reading the consent Grant Thornton Limited to act as the Monitor,

SERVICE

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

2. **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/practicedirections/toronto/#Commercial_List) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant 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 <[www.grantthornton.ca/silverstreams]>.

3. **THIS COURT ORDERS** that the E-Service List Keeper and the WebHost (as such terms are defined in the Protocol) for the purpose of this proceeding shall be the Monitor.

3A. **THIS COURT ORDERS** that the sum of $491,985.33, plus interest accrued thereon, being held in trust by Chaitons LLP pursuant to the orders of the Honourable Madam Justice Lack dated August 15, 2013 and the Endorsement of the Honourable Madam Justice Gilmore dated November 20, 2013 in the Con-Drain Company (1983) Limited action bearing Newmarket court file no. CV-12-115757-00 (the "Con-Drain Action") shall be maintained in trust by Chaitons LLP until further court order or consent of the parties to the Con-Drain Action, and the determination of whether the above noted funds form Property, as defined in paragraph 5 of the Initial Order, shall be determined at a late date.

APPLICATION

4. **THIS COURT ORDERS AND DECLARES** that the Applicants are affiliated debtor companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that, subject to paragraph 17 the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course on and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the completion of Phases II and III of the Puccini Project (as defined in the Jinnah Affidavit) including, without limitation, payments on account of insurance, maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations,

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deems appropriate;

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and

(d) complete the construction and sale of the remaining 10 homes in Phases II and III of the Puccini Project with the approval of the Monitor in respect of all sales made in the ordinary course of the Applicants' business and otherwise with prior Court approval,

all of the foregoing to permit the Applicants to proceed with the completion of Phases II and III of the Puccini Project (the "**Restructuring**").

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

11. **THIS COURT ORDERS** that until and including January 16, 2014, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court, including the action commenced in Newmarket, Ontario by Con-Drain Company (1983) Limited against certain Applicants and others bearing Court File Number CV-13-115757-00.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (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 RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, 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 Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants 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 Business or the Applicants, 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 Applicants, and that the Applicants shall be entitled to the continued use of their current premises, 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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be

agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

17. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

18. **THIS COURT ORDERS** that Grant Thornton Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs

of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

19. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender (as defined below) and its counsel on a periodic basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) advise the Applicants in the preparation of the Applicants' cash flow statements and reporting, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis or provided to the Court as required;

(e) to assist the Applicants with the Restructuring;

(f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(h) perform the tasks requested to be performed by the Monitor under the DIP Term Sheet;

(i) to advise and assist the Applicants in their negotiations with their stakeholders;

(j) perform such other duties as are required by this Order or by this Court from time to time; and

(k) in the name and/or for the benefit of the Applicants, to exercise control over the receipts, disbursements and bank accounts of the Applicants and receive and collect all monies and accounts of the Applicants in respect of the Property.

20. **THIS COURT ORDERS** that, subject to paragraph 17(k) of this Order, the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

21. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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 Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

22. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

23. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, incurred both before and after the making of this Order, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis upon receipt of an invoice.

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

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of

these proceedings. The Administration Charge shall have the priority set out in paragraphs 31 and 33 hereof.

DIP FINANCING

27. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Sandall Investments Limited (the "**DIP Lender**") in order to finance the Applicants' working capital requirements, including the cost of completing Phases II and III of the Puccini Project and the costs of these proceedings, provided that borrowings under such credit facility shall not exceed the principal amount of $1,000,000 unless permitted by further Order of this Court.

28. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet among the Applicants and the DIP Lender dated as of December 11, 2013 (the "**Term Sheet**"), filed.

29. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

30. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 31 and 33 hereof.

31. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender may immediately terminate the facility and, upon seeking an Order of the Court on 5 days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to apply to this Court for the appointment of a receiver over the Property; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver, receiver and manager or lien trustee of the Applicants or the Property.

32. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

33. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000); and

Second – DIP Lender's Charge.

34. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

35. **THIS COURT ORDERS** that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, construction

liens (whether or not perfected or preserved) and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

36. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Administration Charge or the DIP Lender's Charge, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

37. **THIS COURT ORDERS** that the Administration Charge, the Term Sheet, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Toronto Star or the Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

39. **THIS COURT ORDERS** that the Applicants and the Monitor be at liberty to serve 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 electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic 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.

40. **THIS COURT ORDERS** that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.grantthornton.ca/silverstreams.

GENERAL

41. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

42. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, a trustee in bankruptcy or a lien trustee of the Applicants, the Business or the Property.

43. **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 Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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 Monitor 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.

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

46. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

DEC 17 2013

16046568.2

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

INITIAL ORDER

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Barristers and Solicitors
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Lawyers for the Applicants

THIS IS **EXHIBIT "B"** REFERRED TO IN THE

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 7th DAY OF JULY, 2015

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

AFFIDAVIT OF IMRAN JINNAH

I, Imran Jinnah, of the Town of Richmond Hill, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the sole officer, director and shareholder of the Applicants, Silver Streams Homes Inc. ("**Silver Streams**"), Silver Streams Homes (Puccini) Inc. ("**Puccini**"), 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**"). As such, I have personal knowledge of the matters to which I dispose in this affidavit, save and except for such facts or matters which are stated to be based on information and belief and where so stated, I believe same to be true.

2. I swear this affidavit in support of the Applicants' motion for an order extending the Stay Period, as defined in paragraph 11 of the Initial Order of Justice Newbould dated December 17, 2013 (the "**Initial Order**") to and including July 16, 2015.

BACKGROUND AND CCAA PROCEEDING

3. The Applicants are affiliated companies owned by me. Silver Streams is a residential homebuilder in the Greater Toronto Area. As at the Filing Date (as defined below), Silver Streams

was in the process of completing a project in Richmond Hill, Ontario referred to in these proceedings as the "**Puccini Project**". The Puccini Project was comprised of four phases. Subject to certain homes described in my previous affidavits filed in this proceeding, as at the Filing Date the majority of the construction for Phase I, II and III homes was completed.

4. The construction of Phase IV was not commenced prior to the commencement of the CCAA proceeding. Since the commencement of this CCAA proceeding, the Phase IV lands have been sold under power of sale.

5. Title to the lands in Phases I, II and II are registered in the names of the numbered company Applicants. Title to the lands in Phase IV is registered in the name of a corporation affiliated with the Applicants which is not a party to these CCAA proceedings. Puccini was incorporated for the purpose of selling the homes in the Puccini Project.

6. On December 17, 2013 (the "**Filing Date**"), the Applicants obtained protection from their creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to the Initial Order. A copy of the Initial Order is attached hereto as **Exhibit "A"**.

7. The Initial Order appointed GTL as Monitor of the Applicants in these proceedings. Pursuant to paragraph 17(k) of the Initial Order, the Monitor was directed and empowered to exercise control over the receipts, disbursements and bank accounts of the Applicants and to receive and collect all monies and accounts of the Applicants in respect of the Applicants' property.

8. The Initial Order also granted a stay of proceedings as against the Applicants until and including January 16, 2014 or such later date as the Court may order. The stay of proceedings has been extended by previous orders of this Court to January 16, 2015.

PUCCINI HOMES

9. At the time of the CCAA filing, there were 10 remaining homes in Phases II and III of the Puccini Project that were in various stages of completion (the "**Puccini Homes**").

10. As was described in my affidavits previously filed in these proceedings, the objective of the Applicants' CCAA proceeding is to complete and sell the Puccini Homes and to pay the net sale proceeds, after payment of operating costs and the costs of these proceedings, to satisfy their creditors' claims in the priority to be determined by the Court.

11. Attached hereto as **Exhibit "B"** is a copy of my Affidavit (without exhibits) sworn September 16, 2014, in support of the Applicants' last stay extension motion (the "**June Affidavit**").

12. At the time of the Applicants' last stay extension motion, eight out of ten of the Puccini Homes had been sold by the Applicants with the approval of the Court with seven out of the eight transactions completed. The transaction for the sale of the eighth home, municipally known as 68 Puccini Drive, Richmond Hill, Ontario closed on December 9, 2014.

13. Following the Applicants' last stay extension motion, Silver Streams entered into an agreement of purchase and sale for Lot 23, Phase II of the Puccini Project, municipally known as 60 Puccini Drive, Richmond Hill, Ontario ("**60 Puccini**"). On November 25, 2014, this Court granted, among other things, an order vesting title to 60 Puccini in the purchaser free and clear from all claims and encumbrances. The sale of 60 Puccini is scheduled to close on January 30, 2015.

14. As at the date of this affidavit only one Puccini Home remains unsold, Lot 18, Phase III of the Puccini Project ("**Lot 18**"). Lot 18 is a vacant lot and is being marketed for sale as vacant land. The Applicants continue to market Lot 18 for sale directly and by working with agents.

THE CLAIMS PROCESS

15. On January 16, 2014, this Court granted, among other things, an order (the "**Claims Process Order**") approving a claims process for the purpose of determining the validity, quantum and priority of claims against the Applicants' Property (as defined in the Claims Process Order) (the "**Claims Process**"). A copy of the Claims Process Order is attached hereto as **Exhibit "C"**.

16. Pursuant to the Claims Process Order, the Claims Process is being administered by the Monitor with the assistance of the Vetting Committee (as defined in the Claims Process Order). The Claims Process Order established a claims filing deadline of 5:00 pm on February 14, 2014.

17. An update on the Claims Process was provided by the Monitor in its Sixth Report to the Court dated November 19, 2014 (the "**Sixth Report**"). A copy of the Sixth Report without appendices is attached hereto as **Exhibit "D"**. I am advised by the Monitor, that a further update on the Claims Process will be set out in the Monitor's Seventh Report.

18. The Monitor, with the assistance of the Vetting Committee sent Notices of Allowance to the Applicants' senior mortgage holders, Bank of Montreal ("**BMO**"), Home Trust Company ("**Home Trust**") and Foremost Financial Corporation ("**Foremost**").

19. Pursuant to orders dated December 17, 2013, June 26, 2014, August 12, 2014 and November 25, 2014, the Court approved distributions of proceeds from the sale of the Puccini Homes to BMO, Home Trust and Foremost up to the full amount of the Applicants' indebtedness to these lenders, subject to reimbursement agreements entered into between these lenders and the Monitor. Upon the closing of the sale of 60 Puccini, it is anticipated that, subject to the reimbursement agreements, the Applicants will have satisfied their obligations to the senior mortgage holders in full.

20. In addition, the Monitor sent Notices of Allowance to Canada Revenue Agency ("**CRA**") with respect to its claims for source deductions with the caveat that: (a) the claims are against Silver

Streams and Puccini; (b) neither Silver Streams nor Puccini holds any title in the ten lots that existed at the time of the Applicants' application under the CCAA; and (c) accordingly, the proceeds arising from the sale of said homes are not those to which CRA's deemed trust claims against Silver Streams or Puccini attach.

21. CRA has challenged the Monitor's determination with respect to its entitlement to assert source deduction claims against the proceeds from the sale of the Puccini Homes. The motion for the resolution of this dispute was scheduled to be heard on December 3, 2014.

22. To avoid the cost of litigating the issue of CRA's priority, the Applicants, with the support of the Monitor, and the CRA settled CRA's source deduction claims. On November 25, 2014, the Court granted an order approving the settlement.

23. The net proceeds from the sale of the Puccini Homes are subject to a priority dispute between a group of private mortgage holders and construction lien claimants. I am advised by Maya Poliak, a lawyer with Chaitons LLP, counsel for the Applicants, that the Monitor and the Vetting Committee have agreed to have a number of issues, including the validity of the construction lien claims registered against title to the Pucinni Project and the priority of these lien claims vis-a-vie the private mortgages determined by arbitration. I am further advised by Ms. Poliak that the Monitor will bring a motion also returnable on January 8, 2014, for, among other things, an order referring these matters to arbitration.

STAY EXTENSION

24. The Initial Order included a stay of proceedings as against the Applicants until and including January 16, 2014 or such later date as the Court may order. On September 26, 2014, the stay of proceedings was extended to January 16, 2015.

25. The Applicants have acted in good faith and with due diligence since their last stay extension motion and have, among other things: (i) negotiated and entered into an additional agreement of purchase and sale; (ii) closed the sale of 1 home since the Applicants' last stay extension motion; and (iii) continued the marketing process for the sale of the remaining lot.

26. To minimize the ongoing costs of the CCAA proceeding, the Applicants have wound down their operations and expenses in the CCAA proceeding. In the end of September, 2014, the Applicants closed their sale office and further reduced their staff to two full-time and one part-time employee.

27. Commencing on October 1, 2014, any necessary office work was carried out by the Applicants' remaining employees from their home offices. As at December 1, 2014, to further minimize the costs of the CCAA proceeding, the Applicants have agreed to convert the monthly management fees to hourly rates to be paid based on the invoices issued by the remaining staff.

28. The Applicants seek an extension of the stay period to and including July 16, 2015 to: (i) to close the sale of 60 Puccini; (ii) to allow the arbitration of the lien claims issue to be carried out; and (iii) to continue the marketing process for the remaining Puccini Home.

29. In connection with the Applicants' request for the stay extension, the Applicants, with the assistance of the Monitor, have been working to prepare cash flow projections for the time period commencing December 11, 2014 and ending July 16, 2015 (the "**Cash Flow**"). The Cash Flow, along with the Management's Report on Cash Flow, will be appended to the Monitor's Seventh Report.

30. I swear this affidavit in support of the Applicants' motion for the relief set out herein and for no improper purpose.

SWORN before me at the City of Toronto, Province of Ontario, this 17th day of December, 2014	))))))	Imran Jinnah
A Commissioner, Etc. Maya Poliak		

THIS IS **EXHIBIT "C"** REFERRED TO IN THE

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 7th DAY OF JULY, 2015

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 16TH DAY
	)	
JUSTICE WILTON-SIEGEL	)	OF JANUARY, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

CLAIMS PROCESS ORDER

THIS MOTION, made by the Applicants for an order establishing a claims procedure was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Imran Jinnah sworn January 10, 2014 and the Monitor's First Report to the Court dated January 14, 2013, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and such other counsel as were present, and on being advised that the Service List was served with the Notice of Motion and Motion Record of the Applicants:

DEFINITIONS

1. **THIS COURT ORDERS** that, for the purposes of this Order, the following terms shall have the following meanings:

(a) **"9:30 Appointment"** means an appearance before a Justice of this Court in chambers which may be made at 9:30 a.m. on any juridical day;

(b) "**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(c) "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C - 36, as amended;

(d) **"CCAA Proceeding"** means the CCAA proceeding of the Applicants initiated pursuant to the terms of the Initial Order;

(e) "**Claims Deadline**" means 5:00 p.m. (Eastern Standard Time) on February 14, 2014;

(f) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(g) "**Claimant**" means any Person having a Secured Claim;

(h) **"Filing Date"** means December 17, 2013;

(i) "**Initial Order**" means the Order of the Honourable Mr. Justice Newbould dated December 17, 2013 issued in the CCAA Proceeding;

(j) **"Known Creditors"** means any Person which the books and records of the Applicants disclose were owed money by one or more of the Applicants as of the Filing Date which obligations remains unpaid in whole or in part;

(k) **"Monitor"** means Grant Thornton Limited in its capacity as Court-appointed Monitor of the Applicants pursuant to the Initial Order;

(l) **"Notice of Disallowance"** means the notice that may be delivered to a Claimant disallowing such Claimant's Secured Claim in whole or in part, which notice shall include the grounds for the disallowance;

(m) "**Notice of Dispute**" means the notice that may be delivered by a Claimant who has received a Notice of Disallowance disputing such Notice of Disallowance, which notice shall include the grounds for the dispute;

(n) **"Notice to Creditors"** means the notice substantially in the form attached hereto as **Schedule "B"**;

(o) "**Person**" means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association and any federal, provincial or municipal government or similar entity, howsoever designated or constituted;

(p) "**Property**" means the property of the Applicants described in **Schedule "A"** hereto and the proceeds thereof;

(q) "**Secured Claim**" means all claims against the Property whether as a mortgagee, construction lien claimant or otherwise, including the claim of Con-Drain Company (1983) Limited ("**Con-Drain**"), and subject to paragraph 3A of the Initial Order against the Property in an action commenced in Newmarket, Ontario by Con-Drain against certain Applicants and others bearing Newmarket Court File Number CV-13-115757-00, but excludes the claims of unsecured creditors and the beneficiaries of the Court ordered charges created pursuant to the Initial Order; and

(r) "**Vetting Committee**" means a committee established pursuant to the terms of this Order for the purpose of assisting the Monitor with the review and determination of the validity, quantum and priority of all Secured Claims and which shall have a maximum of six (6) members.

PURPOSE OF CLAIMS PROCESS

2. The claims process contemplated herein applies solely to those persons having Secured Claims against the Property, whether as a mortgagee, a construction lien claimant or otherwise and is not intended as a general claims process for all of the Applicants' creditors.

MONITOR'S ROLE

3. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall implement and oversee the claims process provided for herein, and is hereby authorized and directed to take such steps as may be necessary to implement and carry out this Order.

CLAIMS PROCESS

4. **THIS COURT ORDERS** that the Monitor shall cause a Notice to Creditors to be sent to each Known Creditor by facsimile transmission, electronic communication or regular prepaid mail on or before January 21, 2014.

5. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors to be placed once in each of the Toronto Star and the Daily Commercial News as soon as reasonably practicable after the date of this Order.

6. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors and a copy of this Order to be posted and maintained on the Monitor's website at www.grantthornton.ca/silverstreams as soon as reasonably practicable after the date of this Order.

7. **THIS COURT ORDERS** that the Monitor shall cause a copy of this Order and the Notice to Creditors to be sent to any Person requesting such material as soon as practicable.

FILING OF SECURED CLAIMS

8. **THIS COURT ORDERS** that all Claimants shall deliver to the Monitor their written submissions together with all supporting documentation respecting the validity, quantum and priority of their Secured Claims by the Claims Deadline or such later date as the Monitor may agree or the Court may order prior to the Claim Deadline failing which, the Secured Claim of such Claimant against the Property shall be extinguished and forever barred.

9. **THIS COURT ORDERS** that the information and documentation to be provided by a Claimant to the Monitor pursuant to paragraph 8 above, shall include, without limitation:

   (a) in the case of lien claimants, a complete copy of the contract or subcontract, change orders, evidence of the date of last supply of work or services, a copy of all invoices, time sheets and a detailed statement of account including all payments received;

   (b) in the case of mortgagees, a copy of the commitment letter, offer of finance or similar document, the dates and amounts of all advances, a detailed statement of account, and the amount of any holdback maintained by the mortgagee.

VETTING COMMITTEE

10. **THIS COURT ORDERS AND AUTHORIZES** the establishment of the Vetting Committee. The Vetting Committee shall initially have the following 6 members:

   (a) James Klein - lawyer for various lien claimants

   (b) Jeffrey Long – lawyer for Con Drain

   (c) Jeffrey Spiegleman – lawyer for Bank of Montreal

   (d) Marco Drudi – lawyer for private lenders

(e) Stephen Schwartz – lawyer for the Applicants

(f) Steven Graff or Ian Aversa – lawyers for the Monitor

A member of the Vetting Committee may only be replaced with the unanimous consent of the remaining members or an order of this Court.

CLAIMS REVIEW

11. **THIS COURT ORDERS** that the Monitor shall review each Secured Claim received by the Claims Deadline.

12. **THIS COURT ORDERS** that in response to a written request made by the Monitor, a Claimant shall forthwith, and in any event within seven (7) days of the date of the request, provide such further documentation and information as the Monitor may reasonably require with respect to the Claimant's Secured Claim.

13. **THIS COURT ORDERS** that the Monitor, in its sole discretion, upon consultation with the Vetting Committee, may accept or disallow a Secured Claim in part or in whole.

14. **THIS COURT ORDERS** that if the Monitor determines to disallow a Secured Claim, in part or in whole, the Monitor shall deliver to the Claimant a Notice of Disallowance.

15. **THIS COURT ORDERS** that any Claimant who disputes the disallowance of its Secured Claim as set forth in a Notice of Disallowance shall deliver a Notice of Dispute to the Monitor on or before 5:00 p.m. (Eastern Standard Time) on the day which is fourteen (14) days after the date of the Notice of Disallowance (the "**Dispute Deadline**"), or such later date as the Monitor may agree or the Court may order prior to the expiration of the Dispute Deadline.

16. **THIS COURT ORDERS** that any Claimant who fails to deliver a Notice of Dispute by the Dispute Deadline shall be deemed to accept the Monitor's determination as set out in the Notice of Disallowance.

RESOLUTION OF CLAIMS

17. **THIS COURT ORDERS** that the Monitor, with the assistance of the Vetting Committee, may attempt to consensually resolve any disputed Secured Claim.

18. **THIS COURT ORDERS** that upon the expiration of all of the Dispute Deadlines, the Monitor shall prepare, serve and file a report on the results of the claims process.

19. **THIS COURT ORDERS** that the Monitor shall schedule a 9:30 Appointment with the Court returnable within fourteen (14) days after service of its report pursuant to paragraph 18 herein for the purpose of setting a timetable for resolution of any unresolved disputed claims.

20. **THIS COURT ORDERS** that the Monitor may apply to this Court, at any time, for advice and directions regarding the claims process provided for herein.

GENERAL PROVISIONS

21. **THIS COURT ORDERS** that any notice or other communication to be given under this Order by a Claimant to the Monitor shall be in writing and will be sufficiently given only if delivered by facsimile transmission, personal delivery, electronic communication or prepaid mail addressed to:

The Monitor
c/o Grant Thornton Limited
Royal Bank Plaza, South Tower, 19th Floor,
Toronto, ON, M5J 2P9

Attention:	Daniel Sobel
Telephone:	(416) 369-7033
Fax:	(416) 360-4949
Email:	daniel.sobel@ca.gt.com

with a copy to

Aird & Berlis LLP
Brookfield Place. 181 Bay Street, Suite 1800
Toronto, ON, M5J 2T9

Attention:	Ian Aversa
Telephone:	(416) 865-3082
Fax:	(416) 863-1515
Email:	iaversa@airdberlis.com

Any such notice or other communication delivered by a Claimant shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a Business Day or, if delivered outside of normal business hours, on the next Business Day.

22. **THIS COURT ORDERS** that any notice or other communication to be given under this Order by the Monitor to a Claimant shall be addressed to the last recorded address appearing in the books and records of the Applicants, the address indicated on any security registration or in the submissions filed by the Claimant with the Monitor and will be sufficiently given only if delivered by facsimile transmission, personal delivery, electronic communication or prepaid mail. Any such notice or other communication delivered by the Monitor shall be deemed to be received upon actual receipt by the Claimant thereof during normal business hours on a Business Day or, if delivered outside of normal business hours, on the next Business Day.

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

JAN 16 2014

SCHEDULE "A"

PROPERTY

1. Lot 1, Plan 65M4249, Town of Richmond Hill; Pin: 03206-3418 (LT)
2. Lot 23, Plan 65M4249, Town of Richmond Hill; Pin: 03206-3440 (LT)
3. Lot 24, Plan 65M4249, Town of Richmond Hill; Pin: 03206-3441 (LT)
4. Lot 18, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3501 (LT)
5. Lot 19, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3502 (LT)
6. Lot 20, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3503 (LT)
7. Lot 22, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3505 (LT)
8. Lot 23, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3506 (LT)
9. Lot 24, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3507 (LT)
10. Lot 25, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3508 (LT)
11. Net sale proceeds from the sale of certain homes in the Puccini Project in the amount of $491,985.33 held in trust by Chaitons LLP pursuant to the Orders of Madam Justice Lack dated August 15, 2013 and Madam Justice Gilmore dated November 20, 2013 issued in the action commenced by Con-Drain Company (1983) Limited against certain applicants and other parties bearing Court File Number CV-13-115757-00

SCHEDULE "B"

NOTICE TO CREDITORS

NOTICE TO CREDITORS OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. and 2147650 ONTARIO INC. (COLLECTIVELY, "SILVER STREAMS")

RE: NOTICE OF CLAIMS PROCEDURE FOR SILVER STREAMS PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (THE "CCAA")

TAKE NOTICE that this notice is being published pursuant to an order of the Honourable Mr. Justice Wilton-Siegel of the *Ontario* Superior Court of Justice (Commercial List) dated January 16, 2014 (the "**Claims Process Order**"). Any person who believes that it has a claim against the Property (as defined in the Claims Process Order) whether as a mortgagee, construction lien claimant or otherwise, shall send the documents and information prescribed by the Claims Process Order to Grant Thornton Limited in its capacity as Court-appointed Monitor of Silver Streams (the "**Monitor**") to be received **by 5:00 p.m. (Eastern Standard Time) on February 14, 2014 (the "Claims Deadline")** or such later date as the Monitor may agree or the Court may order prior to the Claim Deadline, **failing which, the claim of such Claimant against the Property shall be extinguished and forever barred.**

A copy of the Claims Process Order is available on the Monitor's website at www.grantthornton.ca/silverstreams.

Dated at ________________ this ____ day of ____________________, 2014

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

CLAIMS PROCESS ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

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Tel: (416) 218-1129
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Tel: (416) 218-1132
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Maya Poliak (LSUC #54100A)
Tel: 416-218-1161
Fax: 416-218-1844

Lawyers for the Applicants

Doc#2886374v1

THIS IS **EXHIBIT "D"** REFERRED TO IN THE

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 7th DAY OF JULY, 2015

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

SEVENTH REPORT TO COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

DECEMBER 19, 2014

Grant Thornton

Grant Thornton Limited,
Monitor of the Applicants under the *Companies' Creditors Arrangement Act*

Royal Bank Plaza
200 Bay Street, South Tower, 19th Floor
Toronto, Ontario, M5J 2P9

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APPENDICES

1. Initial Order dated December 17, 2013
2. Proposed Referral Order
3. Interim R&D to December 10, 2014 and Cash Flow Projection for the period ending July 17, 2015
4. Affidavit of Jonathan Krieger sworn December 17, 2014
5. Affidavit of Steven L. Graff sworn December 17, 2014

BACKGROUND INFORMATION

1. Silver Streams Homes Inc. ("**Silver Streams**") is a residential home builder in the Greater Toronto Area.

2. Silver Streams Homes (Puccini) Inc. ("**Puccini**") was incorporated in October 2008 for the purpose of developing and selling homes in a development located at Bathurst St. and King Rd. in Richmond Hill, Ontario (the "**Puccini Project**"). Puccini is registered with Tarion and is the vendor under agreements of purchase and sale for homes in the Puccini Project.

3. Title to the some (but not all) of the lands in phases II and III of the Puccini Project is held by 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**" and, collectively, the "**Title Holders**"). Silver Streams, Puccini and the Title Holders are collectively referred to as the "**Companies**" or the "**Applicants**".

4. On December 17, 2013, the Companies made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that date, the Court issued an order (the "**Initial Order**"), *inter alia*, granting the Companies' the protection of a stay of proceedings until January 16, 2014 and appointing Grant Thornton Limited ("**GTL**") as the Companies' monitor under the CCAA (the "**Monitor**"). A copy of the Initial Order is attached as **Appendix "1"**.

5. On January 16, April 17, June 26, 2014, August 1, 2014 and September 23, 2014, the Court issued orders (the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16, 2014 to April 18, 2014, and then from April 18, 2014 to July 3, 2014 and then from July 3, 2014 to September 26, 2014 and lastly from September 26, 2014 to January 16, 2015. The Extension Orders also approved interim distributions to Bank of Montreal ("**BMO**"), Home Trust Company and Foremost Financial Corporation, subject to satisfactory reimbursement agreements between these parties and the Monitor, and authorized the Monitor to conduct the Claims Process (defined below).

6. This report (the "**Seventh Report**") has been prepared by Grant Thornton Limited in its capacity as Monitor.

PURPOSE OF THE SEVENTH REPORT

7. The purpose of this Seventh Report is to advise the Court with respect to:

   i) the status of the CCAA Proceedings, including the details of the activities of the Monitor and the Companies since the issuance of the Monitor's sixth report to Court dated November 19, 2014 (the "**Sixth Report**");

   ii) the status of the secured claims process currently being conducted by the Monitor, as authorized by the Court (the "**Claims Process**");

   iii) the Companies' revised cash flow projection to July 17, 2015 (the "**Cash Flow Projection**");

iv) the Companies' receipts and disbursements since December 17, 2013 up to and including December 10, 2014 (the "**Interim R&D**");

v) the Monitor's request for an order:

a. referring the construction lien claims and other related issues in these CCAA Proceedings to a referee and referring the action bearing Court File No. CV-13-115757-00 (the "**Con-Drain Action**") to a Judge of the Commercial List (the "**Referral Order**");

b. approving the Seventh Report and the Monitor's activities as described herein; and

c. approving the fees and disbursements of the Monitor and its independent counsel, Aird & Berlis LLP ("**A&B**"), as described herein;

vi) the Companies' request for a further order extending the stay of proceedings from January 16, 2015, the date that the stay of proceedings currently expires, to and including July 16, 2015;

8. Detailed background information concerning the Companies and their stakeholders is provided in the affidavit of Imran Jinnah sworn December 11, 2013 (the "**Initial Jinnah Affidavit**"), the affidavit of Imran Jinnah sworn January 10, 2014 (the "**January Jinnah Affidavit**"), the affidavit of Imran Jinnah sworn April 9, 2014 (the "**April Jinnah Affidavit**"), the affidavit of Imran Jinnah sworn June 19, 2014 (the "**June Jinnah**

Affidavit"), the affidavit of Imran Jinnah sworn September 16, 2014 (the "**September Jinnah Affidavit**") and the affidavit of Imran Jinnah sworn December 17, 2014 (the "**December Jinnah Affidavit**"), all of which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Seventh Report. Copies of all materials filed with the Court in these CCAA Proceedings are accessible at: www.GrantThornton.ca/Silverstreams.

SCOPE AND TERMS OF REFERENCE

9. In preparing this Seventh Report, the Monitor has relied upon unaudited financial information, the Companies' records, financial information and projections and discussions with the Companies' management and employees. While the Monitor reviewed various documents provided by the Companies and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

10. Some of the information used in preparing this Seventh Report consists of financial projections, including the Cash Flow Projection. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual

results may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this Seventh Report did not constitute an audit of such information under GAAP or IFRS.

11. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Companies and their management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Seventh Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

12. This Seventh Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in deciding whether to grant the relief sought by the Applicants. Accordingly, the reader is cautioned that this Seventh Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Seventh Report contrary to the provisions of this paragraph.

13. All references to dollars are in Canadian currency unless otherwise noted.

14. Capitalized terms not defined in this Seventh Report have the meanings ascribed to them in the Initial Jinnah Affidavit and the December Jinnah Affidavit.

ACTIVITIES OF THE COMPANIES AND STATUS OF THE CCAA PROCEEDINGS

15. The activities of the Companies and the status of each of the properties owned by the Applicants are detailed in the December Jinnah Affidavit. Since the issuance of the Sixth Report, the Companies have, among other things:

(i) communicated with various stakeholders and creditors regarding the CCAA Proceedings;

(ii) corresponded with the secured lenders and their counsel on a regular basis;

(iii) corresponded with legal counsel;

(iv) planned and executed the marketing of the remaining building lot;

(v) carried out construction activities for certain of the remaining homes;

(vi) closed the sale of Lot 23 of Phase III as authorized by the Court;

(vii) amended the Agreement of Purchase and Sale for Lot 23 Phase II (as described in the December Jinnah Affidavit), which transaction is to close on January 30, 2015;

(viii) participated in the negotiation of the form of the proposed Referral Order;

(ix) revised the Cash Flow Projection;

(x) communicated with Canada Revenue Agency ("**CRA**") regarding its claims; and

(xi) made payments to vendors as contemplated by the Applicants' cash flow projections.

ACTIVITIES OF THE MONITOR

16. Since the date of the Sixth Report, the Monitor's activities have included, among other things:

(i) corresponding and meeting with the Companies, their management and their legal counsel;

(ii) corresponding and meeting with the Monitor's legal counsel;

(iii) reviewing and controlling receipts and disbursements of the Companies, in accordance with the Initial Order;

(iv) corresponding with certain of the Companies' secured lenders and their counsel;

(v) corresponding with the Companies' secured lenders;

(vi) assisting the Companies to revise the Cash Flow Projection;

(vii) maintaining a public website for the CCAA Proceedings;

(viii) attending to phone calls and emails from the Companies' creditors and other stakeholders;

(ix) administering the Court authorized Claims Process and reviewing the claims received;

(x) participating in the negotiation of the proposed Referral Order; and

(xi) reviewing all materials filed with the Court in respect of these proceedings.

UPDATE ON THE CLAIMS PROCESS

17. As set out in the materials previously filed by the Applicants, the Applicants have numerous secured creditors, including, but not limited to, mortgagees, lien claimants and CRA.

18. By way of the January 2014 Orders, the Court authorized the Claims Process. A vetting committee was established that includes the Monitor's counsel, the Companies' counsel and counsel to certain of the secured creditors.

19. As set out in the prior reports of the Monitor, in accordance with the Claims Process, the Monitor received 42 claims (the "**Claims**").

20. All but one of the Claims was received by the Monitor prior to the Claims Deadline (as such term is defined in the January 2014 Orders), being 5:00 p.m. (Eastern Standard Time) on February 14, 2014.

21. The Monitor received two more claims, namely, a claim on behalf of Argo Lumber Inc. ("**Argo**") and a claim on behalf of Newmar Window Manufacturing Inc. ("**Newmar**"). Pursuant to an Order granted by this Court on October 16, 2014 (the "**October 16 Order**"), the Claims Deadline was extended for the sole purpose of permitting the claims of each of Argo and Newmar to be filed.

22. Since the Claims Deadline, the Monitor's counsel has corresponded at length with claimants and the Vetting Committee. The Monitor's counsel also convened a meeting with the Vetting Committee on June 10, 2014 for the purpose of reviewing the Claims and the Monitor's intended course of action in respect of same. As set out in the Sixth Report of the Monitor, following that meeting and with the agreement of the Vetting Committee, the Monitor's counsel:

    (i) sent Notices of Acceptance to CRA with respect to CRA's two claims for source deductions with the caveat that: (a) the claims are against Silver Streams and Puccini; (b) neither Silver Streams nor Puccini holds any title in the ten lots that existed at the time of the Applicants' application under the CCAA; and (c) accordingly, the proceeds arising from the sale of said homes are not those to which CRA's deemed trust claims against Silver Streams or Puccini attach;

(ii) sent a Notice of Disallowance to CRA with respect to CRA's GST/HST claim on the basis that the claim is an unsecured claim in the CCAA Proceedings and the Claims Procedure Order dated January 16, 2014 established a claims process that was limited to secured claims; and

(iii) sent Notices of Acceptance to each of BMO, Home Trust and Foremost with respect to their mortgage claims with the caveat that each of their claims remains subject to the extent of any deficiency in any holdback, if any, that was required to be maintained under the *Construction Lien Act (Ontario)*, and any trust claim that has been or may be made.

23. The Monitor's counsel continued to correspond with the Vetting Committee regarding the Monitor's proposed plan to:

(i) have the 'Con-Drain action' heard by a Commercial List Judge on an expedited basis outside of the context of the CCAA Proceedings. The Monitor and its counsel would not participate in these proceedings. If the approximate amount of $500,000 in dispute is determined to form part of the CCAA estate, it would be delivered to the Monitor for distribution in the context of the CCAA Proceedings. In that regard, the Monitor's counsel has asked the relevant parties to deliver to the Monitor's counsel a draft timetable for this litigation; and

(ii) have the construction lien and related issues determined in the context of binding arbitration by a claims adjudicator.

24. CRA's claim for unpaid source deductions is subject to a settlement agreement that was approved by the Court on November 25, 2014.

25. On December 3, 2014, the Monitor sent Notices of Disallowance to each of: (i) Imran and Humera Hussain; and (ii) Horizons Holdings Inc., Africana Investments Inc. and Mr. Japanwala.

26. After months of negotiation among the members of the Vetting Committee, the Companies' counsel and the Monitor's counsel, such parties have agreed upon a form of the proposed Referral Order, which includes the following terms. Capitalized terms in this section are as defined in the proposed Referral Order, which is attached as **Appendix "2"**.

(i) the Construction Claims are to be referred to Mr. Duncan Glaholt, who shall act as a referee (the "**Referee**") to determine:

a. the validity and, if necessary, quantum, of the Construction Claims filed by the Claimants;

b. whether the Private Mortgagees are Statutory Owners (as defined in the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended (the "**Act**")), and, if so, the determination of their liability as Statutory Owners to the Lien Claimants;

c. the liability of the Private Mortgagees and Mortgagees with respect to any deficiency in holdback to the claims of the Lien Claimants;

d. the determination of priorities as amongst the Claimants regarding their claims as against the Claimants, the Private Mortgagees and Mortgagees; and

e. any ancillary or peripheral issues that need to be determined in order for the Referee to properly complete its mandate, including any and all issues regarding interest and costs.

(ii) The Referee's determination in respect of the issues enumerated in the paragraph above shall be set out in a report (the "**Report/Award**"), which shall be served on the Service List in these CCAA Proceedings and filed with the

Court, and that the Report/Award shall bind any and all affected parties without further confirmation by this Court. For greater certainty, each and every party that filed a claim against one or more of the Applicants in the present proceedings shall be deemed to be an affected party of the Report/Award. Notwithstanding the foregoing, any and all affected parties shall maintain their right to appeal the Report/Award to the Divisional Court in accordance with the Act.

(iii) The anticipated costs of the Referee, up to the amount of $100,000.00, shall be funded equally, and in advance of the Referee commencing its mandate, by the Private Mortgagees (50%) and the Lien Claimants (50%, such that costs shall be borne by each Lien Claimant on a pro rata basis, as calculated in Schedule "A" to the Referral Order), and that any additional costs of the Referee shall be secured by the Administration Charge (as defined in the Initial Order issued on December 17, 2013 in these proceedings) and paid by the Monitor (collectively, the "**Referee's Costs**").

(iv) The Con-Drain Action shall be transferred from the Superior Court of Justice in Newmarket, Ontario and shall be heard by a Judge of the Commercial List in Toronto, separate from the present proceedings and without the participation of the Monitor, but that the funds in dispute in the Con-Drain Action, which are currently held in the trust account of Chaitons LLP (the "**Chaitons Trust Account**"), shall not be released or distributed from the Chaitons Trust Account without a further order of this Court sitting in the context of the present proceedings.

27. The Monitor is of the view that the proposed Referral Order provides the most cost effective and efficient structure to determine the priority and quantum of the secured and lien claims against the Companies' assets. The members of the Vetting Committee, which represent the parties with a significant interest in the CCAA Proceedings, have agreed to the form of the proposed Referral Order. The remaining lien and secured claimants not represented on the Vetting Committee will be served with notice of the Monitor's motion for the proposed Referral Order.

CASH FLOW PROJECTION

28. The Companies have prepared the Cash Flow Projection, on a weekly basis, for the period ending July 17, 2015. The Cash Flow Projection together with management's report on the Cash Flow Projection is attached hereto as **Appendix "3"**. The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein.

29. The Monitor makes the following comments on the Cash Flow Projection:

i) Expenses appear to be consistent with the level of operations contemplated by management for the Companies during the projection period;

ii) The Cash Flow Projection assumes the closing of the sale transaction for Lot 23 at the end of January, 2015;

iii) The Cash Flow Projection does not reflect the sale of the Applicants' remaining development lot, although it is possible that it will be sold during the Cash Flow Projection Period;

iv) The Cash Flow Projection does not contemplate making payments to the Companies' secured creditors (other than to first mortgagees) nor servicing interest on such obligations during the CCAA Proceedings; and

v) The Cash Flow Projection does not contemplate paying pre-CCAA filing HST/GST arrears of approximately $630,000.

30. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by the management and employees of the Companies. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow

Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Projection;

ii) as at the date of this Seventh Report, the probable assumptions developed by management are not suitably supported and consistent with the Companies' plans or do not provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions; or

iii) the Cash Flow Projection does not reflect the probable and hypothetical assumptions.

31. The Cash Flow Projection prepared by the Companies projects that the Applicants will have sufficient funds on hand to maintain their operations throughout the Cash Flow Projection period.

PROFESSIONAL FEES

32. The Monitor and its independent legal counsel have maintained detailed records of their professional time and costs since the Initial Order was granted.

33. Pursuant to paragraph 24 and 25 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 26 of the Initial Order, the Monitor and its counsel, among other parties, were

granted an Administration Charge on the property of the Applicants as security for their fees and disbursements, up to a maximum of $500,000.

34. The fees and disbursements of the Monitor through October 31, 2014 were previously approved by the Court.

35. The total fees of the Monitor for the period from November 1, 2014 to November 30, 2014 amount to $11,687.00 together with expenses and disbursements in the sum of $596.85, and HST in the amount of $1,596.90, totaling $13,880.75. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Jonathan Krieger, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn December 17, 2014 in support hereof, a copy of which is attached hereto as **Appendix "4"**.

36. The legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, through October 31, 2014 were previously approved by the Court.

37. The total legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, during the period from November 1, 2014 to November 30, 2014 amount to $12,432.78, inclusive of applicable HST. The details of the time spent and services provided by A&B is more particularly described in the Affidavit of Steven L. Graff, sworn December 17, 2014 in support hereof, a copy of which is attached hereto as **Appendix "5"**.

38. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel, as set out in the Seventh Report.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

39. In accordance with the Initial Order, the Monitor has controlled the Companies' receipts and disbursements since the date of the Initial Order.

40. **Appendix "3"** provides a statement of the Companies' receipts and disbursements for the period from December 17, 2013 to December 10, 2014.

COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

41. The stay of proceedings currently expires on January 16, 2015. The Companies have requested that the Court extend the stay to and including July 16, 2015.

42. The Companies' request for a six month stay extension is commensurate with the planned activities of the Companies and the Monitor during the proposed stay extension period. During such period, it is anticipated that the terms of the proposed Referral Order will be carried out, which will require the involvement of the Companies and their counsel. The Companies will also attempt to sell the remaining development lot. It is not anticipated that there will be further activity taking place in the Companies'

CCAA Proceedings. Accordingly, during the requested stay extension period, it is anticipated that the Monitor's planned activities will be limited to:

(i) controlling receipts and disbursements in accordance with the Initial Order;

(ii) monitoring the sale process for the last remaining lot;

(iii) monitoring the closing of the sale of Lot 23; and

(iv) corresponding with the Companies, their counsel and the Monitor's counsel.

43. The Applicants have monetized substantially all of their assets and are now proposing to transition to the claims adjudication phase of the CCAA Proceedings.

44. An extension of the stay of proceedings is necessary if it is deemed appropriate by this Court to allow the Companies to maintain their business and to allow the Applicants the opportunity to implement the above noted plans in a stabilized environment.

RECOMMENDATION REGARDING REQUESTED RELIEF

45. In the Monitor's view, the Companies have acted in accordance with the Initial Order. The Companies have also been working cooperatively with the Monitor to facilitate the carrying out of their respective mandates. Accordingly, the Monitor is satisfied that the Companies are acting in good faith and with due diligence.

46. Given the forgoing, the Monitor respectfully recommends that this Court grant the Monitor's and the Companies' requests for relief as set out in paragraph 7 of this Seventh Report and in such parties' notices of motion.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as Monitor of the Applicants
under the *Companies' Creditors Arrangements Act*
and not in any other capacity

Per:

Daniel Sobel, CPA, CA, CIRP
Vice President

THIS IS **EXHIBIT "E"** REFERRED TO IN THE

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 7th DAY OF JULY, 2015

Silver Streams Homes Inc. and Silver Streams Homes (Puccini) Inc.
Actual Results to June 26, 2015 and Projected Cash Flow to March 31, 2016
($CAD, Unaudited)

	Budgeted Dec.11, 2014 - June 26, 2015	Actual Dec.11, 2014 - June 26, 2015	Actual Dec.18, 2013- June 26, 2015	Notes
Receipts				
Lot #22				
Closing proceeds, net of deposit collected	-		827,723	
Less: Commission	-		-	
Lot #25	-		-	
Gross closing proceeds, net of deposit collected	-		801,705	
Commission payable (3.5% of gross purchase price)	-		-	
Lot #19 - Deposit	-		40,000	
Closing proceeds, net of deposit collected	-		687,166	
Less: Bonus Sales Team Rep	-		-	
Lot #23 (PH2) Deposit	-		40,000	
Closing proceeds, net of deposit collected	854,305	891,428	891,428	
Less: Bonus Sales Team Rep	(41,200)	(34,637)	(34,637)	
Lot #24 (PH2) Deposit	-		35,000	
Closing proceeds, net of deposit collected	-		895,995	
Less: Bonus Sales Team Rep	-		-	
Lot 20 - Deposit	-		40,000	
Closing proceeds, net of deposit collected	-		757,991	
Less: Bonus Sales Team Rep	-		-	
Lot #1 - Deposit	-		40,000	
Closing proceeds, net of deposit collected	-		814,221	
Less: Bonus Sales Team Rep	-		-	
Lot #23 (PH3) Deposit	-		50,000	
Closing proceeds, net of deposit collected	-		925,558	
Less: Bonus Sales Team Rep	-		-	
Lot 24 - Deposit	-		40,000	
Closing proceeds, net of deposit collected	-		909,946	
Less: Bonus Sales Team Rep	-		-	
Empty Lot - Deposit				
Closing proceeds, net of deposit collected				
Less: Bonus Sales Team Rep				
General	-		-	
Interim financing facility (i.e. DIP loan)	-		425,000	1
Interest Income	-	6,645	13,993	
HST collected (net of $24k from the HST rebate program)	94,495	92,572	713,623	
Total receipts	**907,600**	**956,007**	**8,914,712**	
Disbursements				
Lot #22				
Interior finishing cost	-		20,503	
Exterior finishing cost	7,000		5,523	2
HST (13%)	910		3,383	
Lot #25	-		-	
Interior finishing cost	-		31,227	
Exterior finishing cost	7,500		11,148	2
HST (13%)	975		5,509	
Lot #23 Phase 2	-		-	
Interior finishing cost	7,400	200	68,104	
Exterior finishing cost	-		1,400	2
HST (13%)	962	26	9,036	
Lot #23	-		-	
Interior finishing cost	18,836	26,776	30,140	
Exterior finishing cost	10,500		-	2
HST (13%)	3,814	3,080	3,518	
Lot #24	-		-	
Interior finishing cost	9,375	975	106,235	
Exterior finishing cost	2,436		11,206	2
HST (13%)	1,535	127	15,267	
Lot #20	-		-	
Interior finishing cost	-	260	52,600	
Exterior finishing cost	7,000		-	2
HST (13%)	910	34	6,838	
Lot #19	-		-	
Interior finishing cost	-		4,537	
Exterior finishing cost	6,400		-	2
HST (13%)	832		590	
Lot #1	-		-	
Interior finishing cost	-		70,386	
Exterior finishing cost	5,000	270	2,539	2
HST (13%)	650	35	9,480	
General (projection is inclusive of HST)	-		-	
HST Paid on general expenses	33,485	24,269	189,587	
Management fees	21,861	11,310	310,307	
Marketing salaries for sales office	-		17,975	
Other marketing expenses	-		18,378	
Property taxes	-	5,144	28,103	
Insurance	1,000	1,080	58,084	
Office expenses and banking/LC fees	910	309	62,892	
Automotive expenses	2,526	526	59,384	
Post-closing service costs re: Lot 17	-		7,500	
Tarion warranty - service and materials for pre-CCAA closings	-		128,218	
Tarion warranty for Homes Sold under CCAA	3,500	1,400	4,000	
Repayment of BMO Mortgage	-	13,568	1,110,181	
Repayment of Home Trust Mortgage	700,000	683,698	1,340,636	
Repayment to Foremost Financial	-		536,433	
Estimated post-CCAA filing HST remittance/(refund)	205,000	224,767	589,300	
Source Deductions Per Court-Approved Settlement	86,000	86,000	86,000	
Contingency (15% of construction costs)	-	5,152	18,312	
Repayment of the interim financing facility	-		483,775	
Commissions	-		92,562	
Professional fees	232,284	169,262	877,049	
Total disbursements	**1,378,601**	**1,258,268**	**6,487,843**	
Net cash inflow/(outflow)	**(471,001)**	**(302,260)**	**2,426,870**	
Bank account - opening balance	2,729,130	2,729,130		
Bank account - closing balance	2,258,129	2,426,870		
Term Deposit	2,355,146			
Balance in bank	71,724			
	2,426,870			

Probable Assumptions:

a. The timing of the sale of the balance of the Applicants' remaining property (one empty lot) is uncertain. although it is anticipated that it will be sold before the end of the projection period.

Hypothetical Assumptions:

1 The interim financing facility has been repaid in full.

2 Represents the obligations to complete homes sold post CCAA.

Silver Streams Homes Inc. and Silver Streams Homes (Puccini) Inc.
Actual Results to June 26, 2015 and Projected Cash Flow to March 31, 2016
($CAD, Unaudited)

	July	August	September	October	November	December	Jan '16	Feb '16	March '16	Cumulative Total
Receipts										
Lot #22										
Closing proceeds, net of deposit collected	-									827,723
Less: Commission	-									-
Lot #25	-									-
Gross closing proceeds, net of deposit collected	-									801,705
Commission payable (3.5% of gross purchase price)	-									-
Lot #19 - Deposit	-									40,000
Closing proceeds, net of deposit collected	-									687,166
Less: Bonus Sales Team Rep	-									-
Lot #23 (PH2) Deposit	-									40,000
Closing proceeds, net of deposit collected	-									891,428
Less: Bonus Sales Team Rep	-									(34,637)
Lot #24 (PH2) Deposit	-									35,000
Closing proceeds, net of deposit collected	-									895,995
Less: Bonus Sales Team Rep	-									-
Lot 20 - Deposit	-									40,000
Closing proceeds, net of deposit collected	-									757,991
Less: Bonus Sales Team Rep	-									-
Lot #1 - Deposit	-									40,000
Closing proceeds, net of deposit collected	-									814,221
Less: Bonus Sales Team Rep	-									-
Lot #23 (PH3) Deposit	-									50,000
Closing proceeds, net of deposit collected	-									925,558
Less: Bonus Sales Team Rep	-									-
Lot 24 - Deposit	-									40,000
Closing proceeds, net of deposit collected	-									909,946
Less: Bonus Sales Team Rep	-									-
Empty Lot - Deposit								20,000		20,000
Closing proceeds, net of deposit collected								430,000		430,000
Less: Bonus Sales Team Rep										-
General										-
Interim financing facility (i.e. DIP loan)	-									425,000
Interest Income	-					10,000				23,993
HST collected (net of $24k from the HST rebate program)	-									713,623
Total receipts	**-**	**-**	**-**	**-**	**-**	**10,000**		**450,000**		**9,374,712**
Disbursements										
Lot #22										
Interior finishing cost	-									20,503
Exterior finishing cost	-			5,500						11,023
HST (13%)	-			715						4,098
Lot #25										-
Interior finishing cost	-									31,227
Exterior finishing cost	-			5,700						16,848
HST (13%)	-			741						6,250
Lot #23 Phase 2										-
Interior finishing cost	-									68,104
Exterior finishing cost	-			5,700						7,100
HST (13%)	-			741						9,777
Lot #23										-
Interior finishing cost	-									30,140
Exterior finishing cost	-			6,300						6,300
HST (13%)	-			819						4,337
Lot #24										-
Interior finishing cost	-									106,235
Exterior finishing cost	-			5,700						16,906
HST (13%)	-			741						16,008
Lot #20										-
Interior finishing cost	-									52,600
Exterior finishing cost	-			6,100						6,100
HST (13%)	-			793						7,631
Lot #19										-
Interior finishing cost	-									4,537
Exterior finishing cost	-			5,700						5,700
HST (13%)	-			741						1,331
Lot #1										-
Interior finishing cost	-									70,386
Exterior finishing cost	-			5,700						8,239
HST (13%)	-			741						10,221
General (projection is inclusive of HST)										-
HST Paid on general expenses	3,328	2,028	3,328	3,328	3,328	2,028	1,950	1,950	1,950	212,804
Management fees	580	600	600	600	600	600	600	600	600	315,687
Marketing salaries for sales office	-									17,975
Other marketing expenses	-									18,378
Property taxes	42									28,145
Insurance	-	2,500								60,584
Office expenses and banking/LC fees	18									62,910
Automotive expenses	-									59,384
Post-closing service costs re: Lot 17	-									7,500
Tarion warranty - service and materials for pre-CCAA closings	-									128,218
Tarion warranty for Homes Sold under CCAA	-									4,000
Repayment of BMO Mortgage	-									1,110,181
Repayment of Home Trust Mortgage	-									1,340,636
Repayment to Foremost Financial	-									536,433
Estimated post-CCAA filing HST remittance/(refund)	-									589,300
Source Deductions Per Court-Approved Settlement	-									86,000
Contingency (15% of construction costs)	851									19,163
Repayment of the interim financing facility	-									483,775
Commissions	-									92,562
Professional fees	25,000	15,000	25,000	25,000	25,000	15,000	15,000	15,000	15,000	1,052,049
Total disbursements	**29,819**	**20,128**	**28,928**	**81,360**	**28,928**	**17,628**	**17,550**	**17,550**	**17,550**	**6,747,283**
Net cash inflow/(outflow)	**(29,819)**	**(20,128)**	**(28,928)**	**(81,360)**	**(28,928)**	**(7,628)**	**(17,550)**	**432,450**	**(17,550)**	**2,627,429**
Bank account - opening balance	2,426,870	2,397,051	2,376,923	2,347,995	2,266,635	2,237,707	2,230,079	2,212,529	2,644,979	
Bank account - closing balance	2,397,051	2,376,923	2,347,995	2,266,635	2,237,707	2,230,079	2,212,529	2,644,979	2,627,429	

Term Deposit
Balance in bank

Probable Assumptions:

a. The timing of the sale of the balance of the Applicants' remaining property (one empty lot) is uncertain, although it is anticipated that it will be sold before the end of the projection period.

Hypothetical Assumptions:

1 The interim financing facility has been repaid in full.

2 Represents the obligations to complete homes sold post CCAA.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

REPORT ON CASH FLOW STATEMENT
(Section 10(2)(b) of the *Companies' Creditors Arrangement Act* ("CCAA"))

Silver Stream Homes (Puccini) Inc. and the other Applicants listed above (collectively, **"Silver Streams"**) have prepared the attached statement of projected cash flow of Silver Streams as of July 6, 2015 (the "**Cash Flow Statement**") consisting of a cash flow for the period from July 1, 2015 to March 31, 2016. Silver Streams developed the assumptions contained in the Notes to the Cash Flow Statement (the "**Notes**"). The purpose of the Cash Flow Statement is to determine the liquidity requirements for Silver Streams during the CCAA proceedings.

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described herein, and the probable assumptions are suitably supported and consistent with the plans of Silver Streams and provide a reasonable basis for the projections. All such assumptions are disclosed in the Notes.

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.

Dated: July ~~6~~ 7, 2015

SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Per:

____

Mr. Imran Jinnah
Title:
I have the authority to bind the corporations

TAB 3

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 15TH
	)	
JUSTICE	)	DAY OF JULY 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

ORDER

THIS MOTION, made by the Applicants for an order extending the stay period (the "**Stay Period**") as defined in paragraph 11 of the Initial Order of the Honourable Mr. Justice Newbould dated December 17, 2013 (the "**Initial Order**") to and including March 31, 2016 and granting such further and other relief as this Honourable Court may deem just, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Imran Jinnah sworn July 7, 2015 and the Ninth Report of Grant Thornton Limited in its capacity as the Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**") dated July •, 2015 (the "**Ninth Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and such other counsel as were present, and on being advised that the Service List was served with the Notice of Motion and Motion Record of the Applicants:

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Stay Period is hereby extended to and including March 31, 2016.

3. **THIS COURT ORDERS** that the Eighth Report of the Monitor dated April 8, 2015 and the Ninth Report of the Monitor, and the activities described therein, be and hereby are approved.

4. **THIS COURT ORDERS** that the Monitor's interim statement of the Applicants' receipts and disbursements from December 17, 2013 to and including July 6, 2015 be and is hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as described in the Ninth Report, be and are hereby approved.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

MOTION RECORD
(Returnable July 15, 2015)

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