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. The purpose of this affidavit is to advise the Applicants' service list (the "**Service List**") and the Court of a Settlement Agreement dated February 17, 2015, among Tarion Warranty Corporation ("**Tarion**"), the Applicants and myself (the "**Settlement Agreement**").

Background

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**". Title to the lands in Phases I, II and III of the Puccini Project are registered in the names of the numbered company Applicants. Title to the lands in Phase IV of the Puccini Project 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.

4. On December 17, 2013 (the "**Filing Date**"), the Applicants obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to the Initial Order. The Initial Order, among other things, appointed Grant Thornton Limited as Monitor of the Applicants in these proceedings. A copy of the Initial Order is attached hereto as **Exhibit "A"**.

Settlement Agreement

5. Tarion is a private corporation established in 1986 to protect the rights of new homebuyers and regulate new home builders. Tarion administers the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. O. 31 (the "**Act**"), which outlines the warranty protection that new home purchasers are entitled to in Ontario.

6. The numbered company Applicants and Silver Streams are registered with Tarion under the Act (as such term is defined below) as vendors, builders or both, as such terms are defined in the Act. It was my understanding at all relevant times that Puccini was also registered with Tarion as a vendor and builder, which understanding was communicated to the Court and the Service List in my previous affidavits filed in these CCAA proceeding. A copy of my initial affidavit sworn December 11, 2013 without exhibits is attached hereto as **Exhibit "B"** (the "**Initial Affidavit**").

7. In connection with their registrations, the Applicants were required to and did provide letters of credit in the aggregate amount of $920,000 (the "**Letters of Credit**") and a cash deposit in the amount of $320,000 in favour of Tarion to secure the Applicants' obligations to Tarion under the (collectively, the "**Security**"). The Letters of Credit are secured by $920,000 in cash held on deposit at Bank of Montreal.

8. In or around September 2014, I learned, for the first time, that contrary to my previous understanding, Puccini was not in fact registered as a vendor under the Act contemporaneously or otherwise with the numbered company Applicants and Silver Streams.

9. On September 3, 2014, a summons was issued to Puccini pursuant to section 24 of the *Provincial Offences Act*, R.S.O. 1990, c. P. 33 under the Act (the "**POA Charge**"), which, among other things, charged Puccini with acting as a vendor of a new home without being properly registered under the Act.

10. Failure to register Puccini as a vendor under the Act was inadvertent. As described above, it was always the Applicants' intention that Puccini be a registered vendor under the Act and, at all

relevant times, I verily believed that Puccini was in fact a registrant under the Act. Accordingly, both prior and subsequent to the commencement of these CCAA proceedings, Puccini acted as a vendor under a number of agreements of purchase and sale in respect of new home sales.

11. It was always intended by the Applicants, and communicated to the Service List and the Court in these CCAA proceedings, that, in order to fulfill its mandate under the Act, Tarion would have recourse and access to the Security for the payment by Tarion of claims made by purchasers against the Applicants under the Act.

12. To remedy the issues raised by Puccini not being a properly registered vendor, the Applicants, Tarion and I agreed to enter into the Settlement Agreement, a copy of which is attached as **Exhibit "C"** hereto. To remedy the inadvertent defect of Puccini not being a properly registered vendor under the Act, pursuant to the Settlement Agreement, the Applicants agreed, among other things, that Puccini will assign to Silver Streams all of its rights, title, interest and obligations under the purchased agreements entered into by Puccini in its capacity as vendor.

13. The Settlement Agreement, once implemented, will restore Tarion and the Applicants to the position they would have been had Puccini been properly registered under the Act, consistent with the Applicants' intentions and previous representations in these CCAA proceedings.

14. The Settlement Agreement is supported by the Monitor and a group of private mortgage holders who, collectively, are the Applicants largest senior secured creditor.

15. The Settlement Agreement is conditional on, among other things, the Applicants advising the Service List and the Court of the terms of the Settlement Agreement and requesting that any person wishing to oppose or object to the execution, delivery or performance of the Settlement Agreement (the "**Objection**") serve notice of such Objection by no later than fourteen (14) calendar days from the date on which notice to the Service List of the Settlement Agreement is provided.

16. In the event that an Objection is not received within fourteen (14) calendar days from the date on which notice to the Service List of the Settlement Agreement is provided, the Applicants will perform the Settlement Agreement and take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereby.

17. If an Objection is received by the Applicants, the Applicants shall on a date that is the later of: (i) ten (10) calendar days after an Objection is received; and (ii) the earliest date that the Court has available for a 9:30 a.m. scheduling appointment, attend before the Court to schedule a motion for an order approving the Settlement Agreement.

SWORN before me at the City of Toronto, Province of Ontario, this 26th day of February, 2015	))))))	Imran Jinnah
A Commissioner, Etc.		**Imran Jinnah**
MAYA POLIAK		

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

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 26th DAY OF FEBRUARY, 2015

Court File No. 12-10362-00-CL

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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 A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 17 2013

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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Lawyers for the Applicants

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

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 26th DAY OF FEBRUARY, 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") and Silver Streams Homes (Puccini) Inc. ("Puccini"). I am also the sole officer, director and shareholder of the Applicants 2148993 Ontario Inc. ("2148993"), 2148990 Ontario Inc. ("2148990"), 2147681 Ontario Inc. ("2147681") and 2147650 Ontario Inc. ("2147650", collectively, the "Title Holders"). 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 an application by the Applicants for relief under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, C. C-36, as amended (the "CCAA").

OVERVIEW

3. Silver Streams is a residential homebuilder in the Greater Toronto Area. To date, it has successfully built approximately 100 homes and is in a position to build and complete a further 48 homes in the Puccini Project (defined below).

4. As described in further detail below, the Applicants have experienced significant financial challenges due to delays involved in the development of the Puccini Project and are insolvent. Secured debt in excess of $12 million is currently in default and numerous construction liens totalling in excess of $3.5 million have been registered against title to various lots in the Puccini Project.

5. There are currently 10 remaining homes in Phases II and III of the Puccini Project that are in various stages of completion. Two (2) of the homes have been presold and with minimal additional work can close shortly.

6. The Applicants' objective is to complete the 10 remaining homes in Phases II and III of the Puccini Project and to apply the net sale proceeds, after payment of operating costs and the costs of these proceedings, to payment of their creditors' claims in the priority determined by the Court.

7. A private lender affiliated with an existing secured lender has indicated it is prepared to provide the Applicants with debtor-in-possession ("DIP") financing to enable the Applicants to complete the construction of the homes and fund the costs of these proceedings.

8. The completion of the homes maximizes value for the Applicants' stakeholders and protects the interests of purchasers under executory agreements of purchase and sale.

THE APPLICANTS

9. Silver Streams was incorporated in 2003. In or about December 2003 it became a registrant with Tarion Warranty Corporation ("Tarion") as a home builder.

10. To date, Silver Streams has successfully completed the following projects:

   (a) St. Albans Mews – a 9 townhouse home project, located in Holland Landing, Ontario - completed in 2006;

   (b) Ashcott Mews – a 14 detached home project, located in Scarborough, Ontario – completed in 2008; and

   (c) D&I Developments – a 4 detached home project, located in Maple, Ontario - completed in 2012.

THE PUCCINI PROJECT

11. In addition to the projects described in paragraph 10 above, the Applicants are in the process of completing a project of 118 units including detached homes, semi-detached homes and townhouses located at Bathurst Street and King Road in Richmond Hill, Ontario (the "Puccini Project"). The Puccini Project is being built in 4 phases. Title to the lands in Phases I, II and III are in the names of 2148990, 2148993, 2147650, and 2147681. Phase I comprises 20 detached homes and was completed in 2010. Phase II comprises 25 detached homes and was completed in late 2012. All but 3 homes in Phase II have been sold. Phase III consists of 25 detached homes. Eighteen (18)

of the homes were completed and sold between June and September 2013. Phase IV is registered in the name of 2148991 Ontario Inc. ("2148991") (a non-debtor in these proceedings) and consists of 40 townhouse units and 8 semi-detached homes. Construction of the homes in Phase IV has not yet commenced, although 33 of the homes have been presold. Attached hereto and marked as **Exhibit "A"** is a colour coded site map of the Puccini Project.

12. Puccini was incorporated in October 2008 for the purpose of selling the homes in the Puccini Project. Puccini is registered with Tarion and is the vendor under the agreements of purchase and sale for homes in the Puccini Project.

PUCCINI PROJECT FINANCING

BMO

13. Pursuant to a Term Sheet dated as of August 25, 2008 among Symphony Series Co-Tenancy Corp. ("Symphony") as Borrower, myself as guarantor, and Bank of Montreal ("BMO") as lender, BMO made available to Symphony, three credit facilities. Facility 1 was in the amount of $7,787,000 and was to repay existing financing in the amount of $4.9 million and to finance the servicing of Phases I, II and III of the Puccini Project. Facility 2 was in the amount of $1.1 million and was to finance Letters of Credit in favour of Tarion and Municipal and Regional Authorities. Facility 3 was in the amount of $3.5 million and was to finance construction of pre-sold homes. A true copy of the term sheet dated August 25, 2008 is attached as **Exhibit "B"**.

14. After its incorporation, we decided to develop the Puccini Project through Puccini and, accordingly, BMO made the above credit facilities available to Puccini as opposed to Symphony.

15. The BMO credit facilities were amended over time. Attached hereto and marked collectively as **Exhibit "C"** are true copies of the subsequent BMO term sheets.

16. All of the indebtedness owing to BMO under the credit facilities are secured, *inter alia*, by:

(a) Demand First Mortgages registered against title to the Phase I, II and III lands (the "**BMO Mortgages**"); and

(b) a General Security Agreement in favour of BMO;

Attached hereto and marked as **Exhibit "D"** and **Exhibit "E"** respectively are true copies of the BMO Mortgages and the General Security Agreement.

17. The loans granted by BMO in connection with the Puccini Project have substantially been repaid. Currently, the outstanding indebtedness to BMO is approximately $700,000.

HOME TRUST

18. In August 2012, Home Trust Company ("Home Trust") made loans to 2148990 and 2147650 each in the original principal amount of $617,500. As security for the loans, 2148990 and 2147650 each granted Home Trust first mortgages registered against title to Lots 23 and 24 in Phase II. The loans were renewed in August 2013. The loans are currently in default. Attached hereto and marked collectively as **Exhibit "F"** are true copies of the August 2012 term sheets, the August 2013 renewal letters and the default letters issued by Home Trust dated November 7, 2013.

FOREMOST

19. Pursuant to a term sheet dated January 15, 2013 Foremost Financial Corporation ("Foremost") granted a loan to 2147681 in the original principal amount of $640,000. The loan was not fully advanced. As set out in the term sheet, the total approximate advance was $467,585. The loan is currently in default. As security for the loan, 2147681 granted Foremost a first mortgage registered against title to Lot 1 in Phase II. Attached hereto and marked as **Exhibit "G"** is a true copy of the Foremost term sheet.

PRIVATE LENDERS

20. A number of private lenders also provided financing to the Puccini Project which loans are secured, *inter alia*, by mortgages registered against title to various lots of the Phase I, II and III lands. These mortgages matured in February 2013. The last time any interest payments were made on any of these loans was August 2013.

21. The total principal amount outstanding under these loans is in excess of $10 million. A chart summarizing the name of the private lender, the original amount of the loan and the approximate amount currently owing is set out below:

Lender	**Original Principal Amount**	**Outstanding Amount**
Puccini Mortgage Corporation	$2,600,000	$1,396,639
Dapaul Management Mortgage	$5,500,000	$3,178,055
388242 Ontario Limited	$1,500,000	$833,343

53 Puccini Mortgage Corp.	$2,000,000	$2,092,603
Nastell Investments Limited	$3,200,000	$3,054,860
Castle Lane Design Group Inc.	$3,500,000	$412,000

OTHER SECURED CREDITORS

22. I am advised by our lawyer, Stephen Schwartz, a partner with Chaitons LLP, that he obtained searches from the Ontario Personal Property Security Registration (the "PPSR") in respect of registrations which are outstanding against the Applicants as at December 4, 2013. In addition to registrations in favour of BMO and certain private lenders, the PPSR searches disclose the particulars of the following registrations registered subsequent to BMO and the private lenders against Silver Streams and Puccini:

(a) Royal Bank of Canada ("RBC") in respect of accounts; and

(b) National Leasing Group Inc. in respect of certain equipment.

23. With the exception of the registrations in favour of BMO and certain private lenders, there are no other registrations against the Title Holders. Copies of the PPSR searches are attached hereto and marked collectively as **Exhibit "H"**.

24. RBC provided financing to 2148991 to fund the acquisition of the land and fund servicing costs for Phase IV of the Puccini Project. As security for RBC's loan to 2148991, Silver Streams and Puccini provided corporate guarantees to RBC.

APPLICANTS' FINANCIAL DIFFICULTIES

25. The Puccini Project lands were acquired at different stages. The property was fully acquired by 2008. Acquisition financing for the lands was obtained by loans from Carevest Capital Inc. ("Carevest") and vendor take back financing. All of the vendor take back financing and the loans from Carevest have been refinanced with the proceeds of the BMO loans and private lenders' loans referenced above. The Applicants are borrowers or guarantors of the loans obtained by one or more of the Applicants from BMO and the private lenders to finance the acquisition and construction of the Puccini Project.

26. Our initial plan was to bring the lots to market within 2 years from acquisition of the lands. However, in 2008, the real estate market experienced a significant decline. We were unable to obtain financing for the construction of all of the homes at one time. Our construction lender, BMO, was only initially prepared to provide us with financing for the 20 homes in Phase I.

27. The inability to obtain construction financing for all of the homes at one time had a significant impact on the Applicants and is the primary reason for their financial woes. Further, the Applicants' ability to obtain municipal approval to build the remaining lots was delayed significantly. Rather than obtaining registration of a plan of subdivision for the entire project at one stage, due to financing constraints we were forced to apply on 3 different occasions for registration of a plan of subdivision for each phase. On each occasion it was as if Silver Streams was making an initial application and the conditions for approval that are common in the development process had to be met again. As a result, rather than obtaining approval to build all of the lots at one time, Silver Streams had to obtain approval three separate times with substantial delays between the approvals.

28. There were additional factors that contributed to the delay. Con-Drain took many more months to service the lands than originally anticipated.

29. Silver Streams was sued by an investor. The litigation was successfully defended. However, the litigation further delayed construction.

30. There were strikes by trades which caused delays.

31. As a result of the delays, the Applicants' costs continued to mount and they ran out of money. This required Silver Streams to obtain additional financing to carry the project and pay development costs. The financing for these matters was obtained from the private lenders described above. The private lenders did not provide any construction financing. The funds obtained from these lenders were used to refinance existing debt, establish interest reserves, pay financing costs, development charges and relevant municipal fees such as building permit fees and for working capital.

32. The Applicants do not have sufficient resources to complete construction of the remaining Phase II and III homes; service the loans to the private lenders; fund Tarion warranty work; pay trade suppliers to the Puccini Project and general overhead expenses.

33. Certain of the private lenders have issued Notices of Sale under Mortgage. Attached hereto and marked collectively as **Exhibit "I"** are true copies of the Notices of Sale.

34. A number of trades have registered claims for lien under the *Construction Lien Act* against title to the lots in the Puccini Project due to non-payment. The total amount of the liens are

approximately $3.5 million. As at December 9, 2013 the lien claimants and the amounts of their liens are as follows:

Lien Claimant	Amount of Claim
1865721 Ontario Inc.	$91,518.55
Canadian Concrete Forming Limited	$216,201.68
Cardell Flooring Ltd.	$94,922.10
E.D. Carpenters Limited	$328,674.01
Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc., 2203579 Ontario Inc. c.o.b. as Foremont Drywall Contracting	$434,577.93
Medi Group Incorporated	$521,675.00
Pave Plumbing & Heating Inc.	$227,302.95
Pilbro III Inc.	$554,353.82
Solo Electric Inc.	$186,364.16
Argo Lumber Inc.	$135,060.00
The King-Com Corporation	$104,574.23
The Sanderson-Harold Company Limited	$203,870.00
669857 Ontario Inc.	$108,287.00
Renova Recycling (2000) Inc.	$29,392.00
Newmar Window Manufacturing Inc.	$67,793.00
Con-Drain Company (1983) Limited	$94,837.00
Trustees of the Labourers' Union of North America Local 183	$22,568.00
669857 Ontario Inc. o/a Alma Mechanical	$108,287.44
Gincola Aluminum Contractors Inc.	$82,579.00
GM Exteriors Inc.	$46,559.20

Subsearches of title to Phases I, II and III of the Puccini Project and a chart showing the registered mortgages and construction lien claims against the remaining lots are attached hereto and marked as **Exhibit "J"**.

OTHER CREDITORS

35. There are a number of trade creditors totalling approximately $300,000. A number of these creditors have made demand for payment or commenced a collection action.

36. Puccini retained a number of consultants in connection with the development of the Puccini Project. These consultants have not been fully paid and are currently owed the total approximate amount of $254,198.

37. Including myself and my wife Asma Jinnah, Silver Streams and Puccini have approximately 10 salaried and hourly employees and contractors that are involved in all aspects of the development and sale of the homes including construction management, marketing and after sales service and repairs. The employees are non-unionized and there are no pension plans. The aggregate cost for these services is approximately $32,000 to $40,000 payable monthly plus an allowance for car, phone and expenses. These payments are currently in arrears.

38. Puccini currently owes HST with respect to the sale of homes in the Puccini Project in the amount of approximately $630,000, which amount is overdue.

CON-DRAIN COMPANY (1983) LIMITED ("CON-DRAIN")

39. In or about 2008 Silver Streams retained Con-Drain to provide earthworks, underground services, roads, curbs, asphalt and related labour and materials to the Puccini Project. Silver Streams was unable to pay Con-Drain the full amount outstanding.

40. In February 2010, Con-Drain registered two construction liens against title to Phases I, II and III of the Puccini Project. In March 2010, Silver Streams and Con-Drain entered into a settlement agreement. Under the terms of the settlement agreement, Silver Streams immediately paid Con-Drain $550,000. Silver Streams agreed to pay Con-Drain a further $50,000 per lot plus interest from future closings in the Puccini Project in accordance with the terms of a written undertaking. Con-Drain subsequently discharged its claims for lien.

41. Litigation has been commenced by Con-Drain against the Applicants arising from an allegation of default under the terms of the settlement agreement. Con-Drain claims payment of $800,000. In August 2013, Con-Drain commenced an action in Newmarket. A copy of the statement of claim is marked as **Exhibit "K".** Statements of defence have not yet been filed.

42. On August 15, 2013, Con-Drain obtained an order from the Honourable Madam Justice Lack requiring that net proceeds from the sale of homes in the Puccini Project be paid to our lawyers', Chaitons LLP, trust account. Attached hereto and marked as **Exhibit "L"** is a true copy of the August 15, 2013 Order.

43. On October 15, 2013, a motion by Con-Drain to continue the order granted by Justice Lack was heard by the Honourable Madam Justice Gilmore. On November 20, 2013, Justice Gilmore released her endorsement. She ordered, among other things, that the Order of Justice Lack should be continued and that the net proceeds from the sale of homes up to the amount of $800,000 be paid into Court. Attached hereto and marked as **Exhibit "M"** is a true copy of the November 20, 2013 Endorsement.

44. I am advised by Mr. Schwartz, that there is currently the sum of $491,985.33 held in trust by Chaitons LLP which will be paid into Court pursuant to the Order of Justice Gilmore once the Order has been issued and entered.

REMAX REALTRON REALTY INC.

45. In September 2013, Remax commenced an action against Puccini, the Title Holders, myself and my wife seeking payment of $250,000 allegedly due for real estate commissions in connection with the sale of homes in the Puccini Project. Attached hereto and marked as **Exhibit "N"** is a true copy of the Statement of Claim.

46. On September 24, 2013, Remax brought a motion for interim relief, seeking payment of real estate commissions into court from the sale of homes. The Honourable Mr. Justice Newbould ordered that "the vendor/owner is entitled to pay (1) all secured lenders and any lien claimant sufficient amount to permit each sale to close; (2) applicable HST; and (3) legal fees for the closing." The net proceeds were to be held in trust by Chaitons LLP to be paid out only on consent of the parties or further court order. Attached hereto and marked as **Exhibit "O"** is a true copy of the endorsement of Justice Newbould.

47. No further closings have taken place subsequent to September 24, 2013.

FINANCIAL POSITION OF THE APPLICANTS

48. Attached hereto collectively as **Exhibit "P"** are true copies of the financial statements of Silver Streams and Puccini Project Management Inc. ("**Management**") for the fiscal year ended November 30, 2012 and December 31, 2012 respectively. There are no interim financial statements for 2013.

49. Management is a related company to Silver Streams and Puccini. All assets, liabilities, revenues and expenses of Puccini are reflected in these financial statements since 2010. The last financial statements prepared for Puccini were prepared in draft for the fiscal year December 2010, a true copy of which is attached hereto as **Exhibit "Q"**.

50. Attached hereto and marked collectively as **Exhibit "R"** are true copies of the financial statements for the Title Holders as at December 30, 2011. There are no further financial statements for the Title Holders. All proceeds of sale were recorded through Management and are reflected in Management's financial statements.

ANTICIPATED RESTRUCTURING

51. The Applicants' objective is to complete the 10 remaining homes in Phases II and III of the Puccini Project and to apply the net sale proceeds, after payment of operating costs and the costs of these proceedings, to payment of their creditors in the priority determined by the Court.

52. There are 3 homes in Phase II and 7 homes in Phase III that have not yet closed. BMO has a first mortgage registered against title to 7 of the lots. Home Trust has a first mortgage registered

against title to 2 of the lots and Foremost has a first mortgage registered against title to one of the lots. Certain of the private lenders have registered subsequent mortgages against title to the 10 lots. The claims for lien referred to above are also registered against title to some or all of these lots. The estimated net proceeds of the home sales are insufficient to discharge the encumbrances registered against these lots. Accordingly, I am advised by my lawyers that the completion and sale of these homes cannot be finalized by Puccini without the benefit of the Court granting a vesting order.

53. The details with respect to each of the remaining 10 homes are as follows:

(a) Phase II, lots 23 and 24 - these homes have been completed and have not yet been sold. They have been listed for sale periodically over the last year. No further construction is required with respect to these homes;

(b) Phase II, Lot 1 - this house is approximately 85% completed. Hardwood floors, certain plumbing, kitchen and bathroom counter tops, mirrors and painting is required. I estimate that the cost to do this work is approximately $65,000. I expect this house to be sold for approximately $1 million;

(c) Phase III, lot 18 - this house has been presold for the price of $895,000, however construction has not yet commenced. I believe that the cost to build this house is approximately $255,000;

(d) Phase III, lot 19 - this house is virtually constructed. There is some outstanding work with respect to the kitchen. I estimate that the cost to complete this home is $11,700. The property was sold to a purchaser who defaulted under its Agreement of Purchase and Sale. Silver Streams has retained the $40,000 deposit and terminated the agreement and will resell this home;

(e) Phase III, lot 20 - this house is approximately 85% complete. I estimate that the cost to complete the remaining work in the house is $50,000. The house is not presold. In my view, the expected selling price for this home is $935,000;

(f) Phase III, lot 22 - this house has been presold for the price of $980,000. The construction is approximately 85% complete. I estimate that there is $44,000 worth of work to complete the home. The purchaser has sold his existing home and is currently living in a hotel waiting for the house to be completed. Attached hereto as **Exhibit "S"** is a copy of a letter from the purchaser's lawyer. Upon obtaining financing, the work can be completed within 2-3 weeks;

(g) Phase III, lot 23 - this home requires approximately 50% of the construction to be completed. I estimate that $125,000 worth of work is required to complete the home. The house has not been sold. I estimate the sale price to be approximately $1.1 million;

(h) Phase III, lot 24 - construction of this house is approximately 50% complete. I estimate the cost to complete the house to be approximately $125,000. The house has not been sold. I estimate the sale price to be approximately $1.1 million.

(i) Phase III, lot 25 - this house is approximately 75% complete. I estimate that it will cost $60,000 to complete the construction. The house has presold for the price of $1,016,730. Upon obtaining financing, the required work can be completed within 3-4 weeks. To my knowledge, the purchaser is ready, willing and able to close the purchase of this home.

54. I estimate that the gross sale proceeds from the sale of these 10 homes will approximate $8,000,000 - $9,000,000 whereas the expected cost to complete the construction of the homes is approximately $800,000 to $1 million.

55. Silver Streams has continuing Tarion warranty obligations with respect to the sales of homes in Phases I, II and III of the Puccini Project. Tarion is concerned about Silver Streams' financial position. Attached hereto and marked collectively as **Exhibit "T"** are copies of the Tarion letters to Silver Streams dated November 19, 2013 and November 25, 2013.

56. I have personally guaranteed payment and performance of the Tarion obligations.

57. The ongoing servicing and deficiency work must be done. There are a number of home buyers who will be negatively impacted by our inability to provide this service.

58. Silver Streams is the best party to do the warranty work. We have a team in place, we are aware of the work that must be done and can do the work in an efficient, cost effective manner.

59. Silver Streams has provided letters of credit in favour of the Town of Richmond Hill to secure the performance of certain work under the terms of the Subdivision Agreement. The letters of credit are secured by $2.6 million in cash held on deposit at BMO.

60. The work that is necessary to be completed by Silver Streams for the Municipality/Town includes the construction of a park, planting of trees, construction of sidewalks, final asphalt, curbs and final maintenance. The work needs to be done as soon as possible. We have been requested by

the Municipality of York Region and the Town of Richmond Hill to do so. It is for the benefit of the residents currently living in the Puccini Project that this work be completed.

61. I estimate the cost to complete the outstanding work to be $600,000 which will result in a portion of the money currently held as cash collateral by BMO to secure the Letters of Credit to be released to Silver Streams when the work is completed.

STAY OF PROCEEDINGS

62. The Applicants require relief under the CCAA including a stay of proceedings in order to preserve the status quo and to obtain the necessary financing to complete the construction of the remaining 10 homes.

63. Without the benefit of CCAA protection, the Applicants will be unable to complete the homes, convey title to home buyers, complete the required work under the Subdivision Agreement, and comply with their Tarion obligations.

DIP FINANCING

64. Attached hereto as **Exhibit "U"** is a copy of the Applicants' cash flow projection for the 13 week period from December 20, 2013 to March 14, 2014 which the Applicants have prepared in connection with these proceedings and which has been reviewed by Grant Thornton Limited ("Grant Thornton") for reasonableness. The cash flow projects an immediate need for working capital to pay operating expenses, and the costs of these proceedings.

65. Sandall Investments Limited (the "DIP Lender"), an affiliate of one of the private lenders, has offered to make available to the Applicants a debtor-in-possession loan in the maximum amount of $1 million (the "DIP Loan") on the terms and conditions set out in a term sheet dated December 11, 2013 (the "DIP Loan Agreement"), a copy of which is attached hereto as **Exhibit "V"**.

66. It is a fundamental term of the DIP Loan that the Court grant an Initial Order on terms acceptable to the DIP Lender which shall require that the Monitor control the Applicants' receipts and disbursements and that the DIP Lender shall be entitled to the benefit of a charge (the "DIP Charge") which shall rank behind the Administration Charge (as defined below) but in priority to all other security interests, trusts, liens, construction liens (whether or not preserved or perfected) charges and encumbrances, statutory or otherwise in favour of any person.

67. As indicated above, the registered lien claims against the 10 homes is approximately $3.5 million. If the lien claims have priority over the private mortgages there will be sufficient funds available from the sale proceeds of the homes to pay their claims. However, if the lien claims do not have priority over any of the mortgages, there will not be sufficient funds to pay their claims irrespective of the DIP financing. In either event, the lien claimants will not be materially prejudiced by the proposed DIP financing.

68. Without DIP financing, the Applicants will be unable to continue their business and complete the construction and sale of the remaining 10 homes, all to the material detriment of their stakeholders including the secured lenders and purchasers under executory agreements of purchase and sale.

VESTING ORDER

69. As indicated above, Puccini has entered into binding agreements to sell the houses on lots 22 and 25 of Phase III of the Puccini Project. Copies of the Agreements of Purchase and Sale for these homes are attached hereto as **Exhibits "W"** and **"X"**, respectively. To my knowledge, the purchasers of these homes are ready, willing and able to close.

70. It is a condition of closing that Puccini transfer title to the homes free and clear of any encumbrances except those contemplated by the applicable agreements of purchase and sale. In the circumstances, Puccini is unable to do so without the benefit of a vesting order issued by this Court.

71. In order to avoid the additional expense of another motion, Puccini is also seeking at this time an order vesting in the respective purchasers all of the Applicants' rights, title and interest in and to the houses on lots 22 and 25 of Phase III of the Puccini Project free and clear of any encumbrances upon the delivery to the respective purchaser by the Monitor of a certificate confirming that the purchase price for the applicable house has been paid and the transaction has been completed (the "Monitor's Certificate").

72. As discussed above, the house located on lot 22 is close to being completed and the purchaser of this home is currently residing in a hotel. Puccini is responsible for the hotel and related costs incurred by the purchaser. It is anticipated that once the Initial Order and the Vesting Order are obtained, the purchaser can move into the house and the sale of the home can close subject to an agreed upon holdback for the minor work to be completed.

APPOINTMENT OF MONITOR

73. Grant Thornton has consented to act as the monitor of the Applicants under the CCAA. A copy of Grant Thornton's consent is attached hereto as **Exhibit "Y"**.

ADMINISTRATION CHARGE

74. It is contemplated that the proposed Monitor, counsel to the proposed Monitor and counsel to the Applicants would be granted a first priority Court-ordered charge on the assets, property and undertaking of the Applicants in priority to all claims but for the mortgages currently held in favour of BMO, Home Trust and Foremost (the "Administration Charge"), up to the maximum amount of $500,000 in respect of their fees and disbursements, incurred at standard rates and charges. The Applicants believe that the Administration Charge is fair and reasonable in the circumstances.

CONCLUSION

75. Several of the mortgagees and lien claimants have commenced enforcement proceedings to recover payment of the amounts owing to them.

76. The Applicants are insolvent on both a balance sheet and cash flow basis. They cannot repay their secured indebtedness which is in excess of $12 million or pay their trades who are owed approximately $3.5 million.

77. There are 10 homes that are either completed or under various stages of construction and that when closed, are expected to generate gross revenue of approximately $8 million to $9 million. Two

of the homes have been pre-sold to innocent third party purchaser who are ready, willing and able to close their purchases. One such purchaser is currently living in a hotel pending closing.

78. In the absence of CCAA protection and DIP financing, the completion and sale of the 10 homes will not occur. Moreover, the ongoing Tarion warranty service work and work required under the Subdivision Agreement will not be completed expeditiously nor in a cost effective manner.

79. For the reasons set out above, I believe that it is in the interests of the Applicants and all of their stakeholders that the relief sought by the Applicants is granted.

SWORN before me at the City of Toronto, Province of Ontario, this 11th day of December, 2013	)))))))	Imran Jinnah
A Commissioner, Etc.		

Michael Robert Kril-Mascarin, a Commissioner, Province of Ontario, while a Student-at-Law. Expires August 12, 2016.

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

AFFIDAVIT OF **IMRAN JINNAH**

SWORN BEFORE ME THIS 26th DAY OF FEBRUARY, 2015

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is entered into as of the 17th day of February, 2015.

AMONG:

TARION WARRANTY CORPORATION

("Tarion")

\- and -

SILVER STREAMS HOMES INC.

("Homes")

\- and -

SILVER STREAMS HOMES (PUCCINI) INC.

("Puccini")

\- and -

2148993 ONTARIO INC.

("2148993")

\- and -

2148990 ONTARIO INC.

("2148990")

\- and -

2147681 ONTARIO INC.

("2147681")

\- and -

2147650 ONTARIO INC.

("2147650")

\- and –

2148991 ONTARIO INC.

("2148991")

- and -

IMRAM JINNAH

("Jinnah", and all such parties and each person executing a Joinder Agreement (as defined below), individually, a "Party" and, collectively, the "Parties").

RECITALS:

A. Beginning in 2004, certain entities for which Jinnah acted as signing officer registered with Tarion under the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. O. 31 (the "Act") as vendors, builders or both vendors and builders as such terms are defined in the Act (collectively, the "Silver Streams Registrants"), including, without limitation, as follows:

1. Homes' registration was approved and became effective on May 10, 2004;

2. 2147650's registration was approved and became effective on May 27, 2010;

3. 2148991's registration was approved and became effective on May 27, 2010;

4. 2148990's registration was approved and became effective on May 27, 2010;

5. 2148993's registration was approved and became effective on May 27, 2010; and

6. 2147681's registration was approved and became effective on May 27, 2010.

B. By virtue of Jinnah's and the Silver Streams Registrants' misunderstanding, Puccini was not registered under the Act contemporaneously or otherwise with the Silver Streams Registrants, despite Jinnah and the Silver Streams Registrants at all times intending that Puccini be a registrant under the Act, and verily believing that Puccini was a registrant under the Act.

C. In connection with their registrations, the Silver Streams Registrants were required to, and did, provide security to Tarion in the aggregate amount of $1,240,000, as follows:

1. Letter of Credit in favour of Tarion
Issuing Bank: Bank of Montreal
Number: BMTO365621OS
Amount: $250,000
Date: April 12, 2012

2. Letter of Credit in favour of Tarion
Issuing Bank: Bank of Montreal
Number: BMTO313560OS
Amount: $400,000
Date: November 12, 2010

3. Letter of Credit in favour of Tarion
   Issuing Bank: Bank of Montreal
   Number: BMTO241737OS
   Amount: $270,000
   Date: January 13, 2009

4. Cash Deposit in favour of Tarion
   Amount: $320,000

(the above-referenced letters of credit, the "Letters of Credit", the above-referenced cash deposit, the "Cash Deposit", and the Letters of Credit and Cash Deposit, collectively, the "Security").

D. Jinnah and the Silver Streams Registrants at all times intended that Tarion would have recourse and access to the Security for the payment by Tarion out of the Guarantee Fund established under the Act for valid claims made by purchasers in connection with any properties for which Puccini acted as vendor under agreements of purchase and sale.

E. On December 17, 2013, Homes, Puccini, 2148993, 2148990, 2147681 and 2147650 (collectively, the "CCAA Debtors") sought, and received, protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "Court", and such proceedings, the "CCAA Proceedings"), and Grant Thornton Limited was appointed as Monitor of the CCAA Debtors in the CCAA Proceedings (in such capacity, the "Monitor").

F. Despite not being registered under the Act, both prior and subsequent to the commencement of the CCAA Proceedings, Puccini acted as vendor under certain purchase agreements (the "Purchase Agreements") in respect of certain new home sales (the "Puccini Sales"), as set out on Schedule "A" hereto.

G. Since the commencement of the CCAA Proceedings, Tarion has received, assessed and paid out of the Guarantee Fund certain claims made by purchasers in connection with the Purchase Agreements and Puccini Sales, as set out on Schedule "B" hereto (the "Claims to Date"), and may receive, assess and pay out of the Guarantee Fund additional claims (the "Future Claims", and together with the Claims to Date, the "Puccini Claims").

H. On September 3, 2014, at the behest of Tarion, in its regulatory capacity as the Registrar under the Act, a Summons was issued to Puccini (the "POA Charge") pursuant to section 24 of the *Provincial Offences Act*, R.S.O. 1990, c. P. 33 in respect of Puccini's offences under section 22 of the POA, specifically Puccini's acting as vendor of a new home without being properly registered pursuant to the Act. For greater certainty, one of the purposes of this settlement agreement (the "Agreement") is to resolve the POA Charge in accordance with the terms and conditions of this Agreement.

I. The Parties hereto have agreed to settle the above issues subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration and the sum of TEN DOLLARS ($10.00) of lawful money of Canada paid by each of the Parties hereto to the other (the receipt and sufficiency thereof being hereby acknowledged), the Parties hereto hereby agree together as follows:

AGREEMENT:

1. The Parties hereto acknowledge and confirm the accuracy and validity of all the above Recitals.

2. As promptly as possible, but in no event later than the date that is fourteen calendar days after the date upon which this Agreement is entered into by the Parties, the CCAA Debtors shall serve on the CCAA Debtors' service list as supplemented with such additional parties as Tarion may reasonably request (the "Service List") an affidavit (the "Agreement Affidavit") and shall file the Agreement Affidavit with the Court. The Agreement Affidavit shall, *inter alia*: (a) describe this Agreement; (b) advise the Court, creditors and other interested parties of: (i) the CCAA Debtors' execution, delivery and performance of this Agreement; and (ii) the Monitor's receipt of this Agreement; and (c) request that any person wishing to oppose, or object to, the CCAA Debtors' execution, delivery or performance of this Agreement shall serve notice of such opposition or objection (a "Notice of Objection") on the Service List by no later than fourteen calendar days from the date on which the Agreement Affidavit is served on the Service List. For greater certainty, the service of a Notice of Objection shall be considered an Objection (as defined below).

3. If in their discretion, acting reasonably, each of Tarion and each of the CCAA Debtors determine that any person opposes, or objects to, the CCAA Debtors' execution, delivery or performance of this Agreement or takes any action that would be detrimental to the implementation of this Agreement (each, an "Objection"), then the CCAA Debtors agree to take the following actions:

(a) The CCAA Debtors shall as promptly as possible, but in no event later than the date that is the later of: (i) ten calendar days after an Objection; and (ii) the earliest date that the Court has available for a 9:30 a.m. scheduling apppintment, attend at a 9:30 a.m. scheduling appointment before the Court (the "Scheduling Appointment") in order to schedule the Agreement Approval Motion (as defined below).

(b) The CCAA Debtors shall as promptly as possible, but in no event later than the date that is seven calendar days after the Scheduling Appointment, serve a motion record including a notice of motion and affidavit, including a draft Agreement Approval Order (as defined below) on the CCAA Debtors' service list as supplemented with such additional Parties as Tarion may reasonably request (the "Agreement Approval Motion") and shall file such motion record with the Court seeking an order (as granted, the "Agreement Approval Order") of the Court, approving of the execution, delivery and performance of this Agreement. The Agreement Approval Order shall be in the form attached as

Schedule “C” hereto, with only such changes as the CCAA Debtors and Tarion shall approve in their reasonable discretion.

(c) The CCAA Debtors shall request that the Monitor report to the Court on this Agreement.

(d) The CCAA Debtors shall use their best efforts to obtain Court approval of the Agreement Approval Order.

(e) If the Agreement Approval Order shall be appealed by any person (or an application for certiorari or motion for leave to appeal, rehearing, re-argument, variation or vacating or stay shall be filed with respect thereto), the CCAA Debtors agree to take all reasonable steps, and use their reasonable best efforts, including incurring reasonable legal expenses, to defend against such appeal, application or motion, and Tarion agrees to cooperate in such efforts. The Parties hereby agree to use their reasonable best efforts to obtain an expedited resolution of such appeal, application or motion; provided, however, that, subject to the conditions set forth herein, nothing shall preclude the Parties from consummating the transactions contemplated hereby if the Agreement Approval Order shall have been entered but shall not have become an order: (a) as to which no appeal, notice of appeal, motion for leave to appeal, motion to amend, vacate or make additional findings of fact, motion to alter or amend judgment, motion for rehearing, amendment, vacatur, additional findings or alteration or amendment of judgment or motion for new trial has been timely filed or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the Agreement Approval Order, without the possibility for further appeal or rehearing thereon; (b) as to which the time for instituting or filing an appeal, motion for rehearing or motion for new trial shall have expired; and (c) as to which no stay is in effect (a “Final Order”), or require the Parties to do so unless they mutually so agree.

4. The CCAA Debtors and Tarion shall cooperate with the filing of the Agreement Affidavit and, to the extent necessary, the filing of the Agreement Approval Motion and obtaining entry of the Agreement Approval Order. The CCAA Debtors and Tarion shall each use their best efforts to: (a) address the concerns of the Court, any creditor or any other interested party with respect to the CCAA Debtors’ execution, delivery and performance of this Agreement; and (b) obtain an expedited resolution of any oppositions or objections to the CCAA Debtors’ execution, delivery and performance of this Agreement.

5. The CCAA Debtors shall deliver to Tarion prior to filing, and as early in advance as is practicable to permit adequate and reasonable time for Tarion and its counsel to review and comment, copies of all proposed motions, affidavits, notices, statements, schedules, applications, reports and other material papers that are required to be filed by the CCAA Debtors pursuant to this Agreement, any relief requested in connection therewith and any objections thereto.

6. This Agreement shall only become effective upon the date (the "Effective Settlement Date") that all of the following conditions precedent have been satisfied: (a) the Agreement has been duly executed and delivered by the Parties and its receipt acknowledged by the Monitor; and (b) fourteen calendar days shall have elapsed from the date on which the Agreement Affidavit is served on the CCAA Debtors' service list; provided, however, that in the event that the CCAA Debtors are required to take the steps contemplated in Section 3 hereof, the Effective Settlement Date shall be the date upon which the Court shall have granted the Agreement Approval Order and such order shall be a Final Order. The Parties acknowledge and agree that this Agreement will have no force and effect and shall become null and void if the Effective Settlement Date does not occur prior to March 31, 2015, unless the Parties otherwise agree in writing.

7. Prior to the Effective Settlement Date, subject to the terms and conditions of this Agreement, each of the Parties hereto shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to cooperate with each other in order to do or cause to be done, all things necessary, proper or advisable under applicable law to consummate the transactions contemplated by this Agreement as soon as practicable and cause the fulfillment at the earliest practicable date of the conditions to the Parties' obligations to consummate the transactions contemplated by this Agreement.

8. Upon the Effective Settlement Date, Homes and Puccini shall duly execute and deliver the assignment and assumption agreement (the "Assignment and Assumption Agreement") in the form attached as Schedule "D" hereto.

9. Forthwith following the Effective Settlement Date, Tarion shall cause the POA Charge to be dismissed or withdrawn on a without costs basis. In the event that the Effective Settlement Date does not occur prior to the return appearance in the POA Charge proceedings that is scheduled for February 20, 2015, Tarion shall consent to an adjournment of such appearance on such terms as to be agreed between Tarion and Puccini, each acting reasonably.

10. Forthwith following the final determination of the Puccini Claims by Tarion, including, *inter alia*, the receipt, assessment and payment out of the Guarantee Fund of all Puccini Claims and Tarion's corresponding realization on the Security and personal guarantees (the "Personal Guarantees"), or any part thereof, that were previously provided by Jinnah in connection with the registration under the Act of the Silver Streams Registrants, Tarion shall release Jinnah from the balance of the Personal Guarantees.

11. Without limiting the foregoing, on and after the Effective Settlement Date, each party shall cooperate with the other Parties, without any further consideration, to cause to be executed and delivered, all instruments, including instruments of conveyance, novations, assignment and transfer, and to make all filings with, and to obtain all consents, under any permit, license, agreement, indenture or other instrument or regulation, and to take all such other actions as any of the Parties may reasonably request any other Parties to take from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplated thereby, including, without limitation, in respect of: (a) the Puccini Claims; (b) the Purchase Agreements; (c) the POA

Charge; (d) the Security; (e) the assignment by Puccini, and the assumption by Homes, of the Purchase Agreements; and (f) the provision to Tarion of recourse, and access, to the Security in connection with the Puccini Claims.

12. If in its sole discretion, acting reasonably, Tarion determines that it is necessary in order to give effect to this Agreement for any Silver Streams Registrants that are not Parties to this Agreement (each, a "Joining Party") to execute a joinder agreement (the "Joinder Agreement") in the form attached as Schedule "E" hereto, with such changes thereto as are necessary or desirable to comply with the requirements of this Agreement, the other Parties hereto shall cause each such Joining Party to execute such Joinder Agreement.

13. The Parties hereto shall bear their own costs and expenses, including legal costs, respecting this Agreement and its implementation.

14. Time shall be of the essence of this Agreement and of each and every provision hereof.

15. This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Ontario and of Canada applicable therein. The Parties hereto irrevocably attorn to the jurisdiction of the Court in respect of the subject matter of this Agreement and all documents entered into thereunder.

16. This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

17. This Agreement constitutes the entire agreement between the Parties hereto in relation to the subject matter hereof and supersedes all prior agreements, proposals, discussions and representations, whether oral or written, between the Parties relating thereto.

18. Each of the Parties hereto shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered, at the expense of the requesting party, all such further acts, documents and things as another party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use its reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

19. This Agreement may only be modified, cancelled, or extended by an instrument in writing signed by all of the Parties hereto.

20. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery thereof.

21. By executing this Agreement, each of the Parties hereto acknowledges that it has been advised to seek independent legal counsel in connection with the execution of this Agreement

and with respect to its obligations and rights hereunder. Each of the Parties hereto acknowledges that it has sought the advice of counsel and other advisors or has determined that such advice is unnecessary.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

Witness

IMRAN JINNAH

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

SILVER STREAMS HOMES INC.

Per: CHIEF EXECUTIVE
Title:
I have authority to bind the Corporation.

SILVER STREAMS HOMES (PUCCINI) INC.

Per: CHIEF EXECUTIVE
Title:
I have authority to bind the Corporation.

2148993 ONTARIO INC.

Per: CHIEF EXECUTIVE
Title:
I have authority to bind the Corporation.

2148990 ONTARIO INC.

Per: CHIEF EXECUTIVE
Title:
I have authority to bind the Corporation.

2147681 ONTARIO INC.

Per: CHIEF EXECUTIVE
Title:
I have authority to bind the Corporation.

2147650 ONTARIO INC.

Per: ______________________

CHIEF EXECUTIVE

Title: ______________________

I have authority to bind the Corporation.

2148991 ONTARIO INC.

Per: ______________________

CHIEF EXECUTIVE

Title: ______________________

I have authority to bind the Corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

TARION WARRANTY CORPORATION

Per: PETER BALASUBRAMANIAN
Title: VP LICENSING AND UNDERWRITING
I have authority to bind the Corporation.

Grant Thornton Limited, in its capacity as the Monitor of the CCAA Debtors under the *Companies' Creditors Arrangement Act* and not in any other capacity, acknowledges receipt of this Agreement as of the 4th of February, 2015.

GRANT THORNTON LIMITED, in its capacity as the Monitor of the CCAA Debtors under the *Companies' Creditors Arrangement Act* and not in any other capacity

Per: J. KRIEGER
Title: SR. VICE PRESIDENT
I have authority to bind the Corporation.

SCHEDULE "A"

PURCHASE AGREEMENTS AND PUCCINI SALES

SILVER STREAMS HOMES
SYMPHONY SERIES
PLAN # 65M-4331 Sold Units 3rd Phase
Please Note that all the Phase 3 homes which closed under CCAA are High lighted in Red and the Phase 2 homes sold under CCAA are Listed at the End of Phase 3 List

Muncipal Address	M-PLAN #	Marketing lot #	Model	Sq ft	Elevation	Price	Purchaser Name	Deposit	Closing Date		
59 Rossini Dr	7	46	Mozart	2,461	A	$ 725,000	Uchenwa Genus	40,000	Jul-13		
58 Rossini Dr	5	58	Soprano	2,888	A	$ 725,000	Nejat/Zahra Ramzani	60,000	30th September 2013		
62 Rossini Dr	3	56	Mozart	2,591	A	$ 660,000	Alex r.Lebedev	40,000	30th August 2013		
66 Rossini Dr	1	54	Maestro	2,340	A	$ 585,900	Ebrahim Al Hajj	40,000	27th August 2013		
78 Puccini Dr	25	23	Serenade Modified	3,780	A	$ 980,000	Aziz ullah ,Hayatullah	60,000	17TH Jan 2014(CCAA)		
66 Puccini Dr	24	22	Serenade Modified	3,780	B	$ 1,030,000	Amiri Huran	35,000	18th July 2014(CCAA		
68 Puccini Dr	23	21	Serenade std	3,925	A	$ 1,040,000	Farhad Sharifi	50,000	28th Nov 2014(CCAA)		
70 Puccini Dr	22	20	Serenade Modified	3,780	A	$ 980,000	Jalil Khan	40,000	31st Dec (CCAA)		
19 Rossini Dr	19	28	Mozart	2,947	A	$ 800,000	Stephen& Antonella Pagllia	40,000	31st May 2014 (CCAA	C	
21 Rossini Dr	20	29	Soprano	2,888	A	$ 880,000	Maisom & Farzaneh Shirazi	40,000	29th August 2014(CCAA)		
23 Rossini Dr	21	30	Soprano	2,947	A	$ 725,000	Gholam Reza Abbasi	40,000	Aug-13		
22 Rossini Dr	16	68	Soprano	2,947	A	$ 702,900	Mahnaz Karimi	60,000	23rd Sep 2013		
20 Rossini Dr	17	69	Soprano	2,948	A	$ 740,900	Nejat /Zahra Ramezani	60,000	Aug-13		
18 Rossini Dr	18	70	Soprano	2,947	A	$ 895,000	Vassileva Nadedja & Nafanailova Irina	60,000	Not Constructed(CCAA		
78 Puccini Dr	15	5	Serenade Tandem	4,158	A	$ 970,000	Tang wai lam/Lo,k,y Edmon	60,000	Jul-13		
80 Puccini Dr	14	4	Serenade Tandem	4,158	B	$ 1,013,837	Inna Sudman	60,000	9th September 2013		
82 Puccini Dr	13	3	Serenade	4,400	A	$ 961,737	Marianna Kogan	40,000	Jul-13		
84 Puccini Dr	12	2	Serenade Tandem	4,158	B	$ 987,550	Sophia Rahman	60,000	10th September		
69 Rossini Dr	11	50	Beethoven	2,209	A	$ 620,000	Mohammed H Jafarian	40,000	Aug-13		
67 Rossini Dr	10	49	Beethoven	2,209	A	$ 680,000	Esther Frinklestein	40,000	Jul-13		
63 Rossini Dr	9	48	Bungalow Primaddona	2,461	A	$ 678,000	Edda Barberio	40,000	Jun-13		

61 Rossini Dr	8	47	Mozart	2,946	A	$ 750,000	Natalia &Vasyl Mospan	40,000	**Jun-13**		
57 Rossini Dr	6	45	Mozart	2,591	A	$ 660,000	Azhar Abbas	40,000	**Aug-13**		
60 Rossini Dr	4	57	Soprano	2,947	A	$ 725,000	Zeinolabedin Jafarian	60,000	**16th September 2013**		
64 Rossini Dr	2	55	Maestro	2,340	A	$ 615,000	Jamshid Heiderpour	40,000	**27th September 2013**		
Phase 2 Homes under											
CCAA											
50 Rossini Dr	1	61	Melodeon	3,495	A	940,000	Avtaar Singh	40,000	**8th Sept 2014(CCAA)**		
58 Puccini Dr	24	26	Rhapsody	3,780	A	1,044,000	Azadeh Hashemian	40,000	**15th Aug 2014(CCAA)**		
60 Puccini Dr	**23**	**25**	**Modified Serenade**	3,780	**A**	**1,030,000**	**Kirubaramani Uthayak**	**40,000**	**30th Jan 2015 (CCAA)**		

SILVER STREAMS HOMES
SYMPHONY SERIES
PLAN # 65M-4331 Sold Units 3rd Phase
Please Note that all the Phase 3 homes which closed under CCAA are High lighted in Red and the Phase 2 homes sold under CCAA are Listed at the End of Phase 3 List

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59 Rossini Dr	7	46	Mozart	2,461	A	$ 725,000	Uchenwa Genus	40,000	Jul-13		
58 Rossini Dr	5	58	Soprano	2,888	A	$ 725,000	Nejat/Zahra Ramzani	60,000	30th September 2013		
62 Rossini Dr	3	56	Mozart	2,591	A	$ 660,000	Alex r,Lebedev	40,000	30th August 2013		
66 Rossini Dr	1	54	Maestro	2,340	A	$ 585,900	Ebrahim Al Hajj	40,000	27th August 2013		
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19 Rossini Dr	19	28	Mozart	2,947	A	$ 800,000	Stephen& Antonella Paglia	40,000	31st May 2014 (CCAA	C	
21 Rossini Dr	20	29	Soprano	2,888	A	$ 880,000	Maisom & Farzaneh Shirazi	40,000	29th August 2014(CCAA)		
23 Rossini Dr	21	30	Soprano	2,947	A	$ 725,000	Gholam Reza Abbasi	40,000	Aug-13		
22 Rossini Dr	16	68	Soprano	2,947	A	$ 702,900	Mahnaz Karimi	60,000	23rd Sep 2013		
20 Rossini Dr	17	69	Soprano	2,948	A	$ 740,900	Nejat /Zahra Ramezani	60,000	Aug-13		
18 Rossini Dr	18	70	Soprano	2,947	A	$ 895,000	Vassileva Nadedja & Nafanailova Irina	60,000	Not Constructed(CCAA		
78 Puccini Dr	15	5	Serenade Tandem	4,158	A	$ 970,000	Tang wai lam/Lo,k,y Edmon	60,000	Jul-13		
80 Puccini Dr	14	4	Serenade Tandem	4,158	B	$ 1,013,837	Inna Sudman	60,000	9th September 2013		
82 Puccini Dr	13	3	Serenade	4,400	A	$ 961,737	Marianna Kogan	40,000	Jul-13		
84 Puccini Dr	12	2	Serenade Tandem	4,158	B	$ 987,550	Sophia Rahman	60,000	10th September		
69 Rossini Dr	11	50	Beethoven	2,209	A	$ 620,000	Mohammed H Jafarian	40,000	Aug-13		
67 Rossini Dr	10	49	Beethoven	2,209	A	$ 680,000	Esther Frinklestein	40,000	Jul-13		
63 Rossini Dr	9	48	Bungalow Primaddona	2,461	A	$ 678,000	Edda Barberio	40,000	Jun-13		

61 Rossini Dr	8	47	Mozart	2,948	A	$ 750,000	Natalia &Vasyl Mospan	40,000	**Jun-13**		
57 Rossini Dr	6	45	Mozart	2,591	A	$ 660,000	Azhar Abbas	40,000	**Aug-13**		
60 Rossini Dr	4	57	Soprano	2,947	A	$ 725,000	Zeinolabedin Jafarian	60,000	**16th September 2013**		
64 Rossini Dr	2	55	Maestro	2,340	A	$ 615,000	Jamshid Heiderpour	40,000	**27th September 2013**		
Phase 2 Homes under CCAA											
50 Rossini Dr	1	61	Melodeon	3,495	A	940,000	Avtaar Singh	40,000	**8th Sept 2014(CCAA)**		
58 Puccini Dr	24	26	Rhapsody	3,780	A	1,044,000	Azadeh Hashemian	40,000	**15th Aug 2014(CCAA)**		
60 Puccini Dr	**23**	**25**	**Modified Serenade**	3,780	**A**	**1,030,000**	**Kirubaramani Uthayak**	**40,000**	**30th Jan 2015 (CCAA)**		

PUCCINI PHASE 2 SALES 2011/ 2012

Sr No	Municiple Address	M-Plan #	Marketing lot #	Model	Sq ft	Elevation	Price	Purchaser Name	Date of Purchase	Closing date
1	50 Rossini Dr	1	61	Melodeon	3,493	A	Un Sold			
2	48 Rossini Dr	2	62	Soprano	2,947	B	$ 682,900	Roshan Jamal	18th June 2008	Closed
3	46 Rossini Dr	3	63	Soprano	2,947	A	$ 694,900	SivarajahUthayakumror	10th June 2008	Closed
4	45 Rossini Dr	4	33	Soprano	2,888	A	$ 710,000	Mehnaz Karimi	17th March 2011	Closed
5	47 Rossini Dr	5	34	Soprano	2,947	A	$ 799,000	Armanda Arja	15th March 2012	Closed
6	**49 Rossini Dr**	**6**	**35**	**Prima Donna**	**2,461**	**A**	**$ 625,000**	**Nalayani Brodie**	**15th March 2010**	**Closed**
7	86 Puccini Dr	7	1	Serenade	3,925	A	$ 840,000	Nawal Zamir/Andreas.A	10th August 2010	closed
8	88 Puccini Dr	8	39	Serenade Tandem	4,158	A	$ 970,000	Yang Chi Feng / Chen (	1st Sept 2011	Closed
9	1 Merton St	9	38	Liberace	2,275	B	$ 689,000	Amir Hamesh	15th Feb 2012	Closed
10		10	37	Beethovan	2,209		$ 650,000	Yang Chi Feng	15th Sept 2011	Closed
11	5 Merton St	11	36	Beethoven	2,209	A	$ 670,000	Sophia	25th Jan 2011	Closed
12	2 Merton St	12	40	Liberace	2,275	B	$ 710,000	Sundus	15th March 2012	Closed
13	4 Merton St	13	41	Beethoven	2,209	A	$ 708,000	Patrick Wong (Re-sld)	30th March 2012	Closed
14	6 Merton St	14	42	Beethoven	2,209	A	$ 670,000	Rajan Aman	20th Feb 2012	Closed
15	53 Rossini Dr	15	43	Melodeon	3,493	A	$ 930,000	Parvin Jamaldin	15th Nov 2010	Closed
16	55 Rossini Dr	16	44	Soprano	2,888	A	$ 725,000	Babak Amini	20th Aug 2011	Closed
17	56 Rossini Dr	17	59	Mozart	2591	A	$ 650,000	Ivan / Jana Lagaev	15th Feb 2010	Closed
18	54 Rossini Dr	18	60	Melodean	3500	A	$ 900,000	Shadab Shahrdad	29th Jan 2012	Closed
19	92 Puccini Dr	19	53	Serenade Tandom	4,158	A	$ 1,020,990	Yuri Mospan/Lubov Mc	10th Dec 2011	Closed
20	96 Puccini Dr	20	52	Rhapsody	3,780	A	$ 1,060,000	Armita Alaei	7th March 2013	Closed
21	**71 Rossini Dr**	**21**	**51**	**Liberace**	**2,275**	**B**	**$ 565,000**	**Aqib & Faiza**	**10th June 2008**	**Closed**
22	62 Puccini Dr	22	24	Rhapsody	3,780	A	$ 960,790	Sabaghzadeh	15th Oct 2011	Closed
23	60 Puccini Dr	23	25	Serenade	3,754	A	1,80,000	Un Sold		

24	58 Puccini Dr	24	26	Rhapsody	3,780	B	$ 1,080,000	Un Sold		
25	56 Puccini Dr	**25**	**27**	**Rennaisance**	**4,286**	**A**	**$ 940,000**	**Shahbaz Ali**	**20th June 2008**	**Closed**
	Total of Sold Units In Phase 2				77,437		$ 19,344,630		$ 1,050,000	

Sr No
8
10

SILVER STREAMS HOMES
SYMPHONY SERIES
PLAN # 65M-4156

PURCHASERS	Marketing lot #	M-Plan #	Muncipal Address	Deposit Recvd	Closing Date	Models	Lot size
Mr Arshad Rashid / Neelma Arshad	64	20	30 Rossini Dr	$ 60,000.00	26th June 2010	Mozart	40 ft
Mr Sajid Hassan/Uzma Sajid Hassan	65	19	28 Rossini Dr	$ 40,000.00	21st June 2010	Soprano	40 ft
Mr Domenic Sorbara/ Daniela Sorbara	66	18	26 Rossini Dr	$ 110,000.00	21st June 2010	Mozart	40 ft
Mr Thangavadivelu Selvakumar	67	17	24 Rossini Dr	$ 60,000.00	18th June 2010	Sporano	40 ft
Mr Haroon Chandna	15	16	11 Pavarotti St	$ 50,000.00	22nd June 2010	Liberace	45 ft
Mr Zain ul Abedin	16	15	9 Pavarotti St	$ 40,000.00	30th June 2010	Maestro	45 ft
Legacy Developers/ Mr Tariq Khursheed	17	14	7 Pavarotti St	$ 40,000.00	28th June 2010	Maestro	45 ft
Mr Mansoor Naqi/ Maria Naqi	18	13	5 Pavarotti St	$ 50,000.00	24th june 2010	Maestro	45 ft
Mr Zain Naqi	19	12	3 Pavarotti St	$ 40,000.00	25th June 2010	Liberace	45 ft
Farkhad hassan	6	11	4 Pavarotti St	$ 40,000.00	Aug-11	Liberace	45 ft
Mr Nadeem Syed/Ayesha Syed	7	10	6 Pavarotti St	$ 40,000.00	24th June 2010	Maestro	45 ft
Mr Tariq Noor	8	9	8 Pavarotti st	$ 40,000.00	24th June 2010	Beethoven	45 ft
Asma Jinnah	9	8	29 Rossini dr	$ 40,000.00	15th July 2010	Melodeon	40 ft
Mr Parveen Katyal/ Rachna Katyal	10	7	31 Rossini Dr	$ 40,000.00	10th August 2010	Soprano	40 ft
Bader Munir Ahmed/Roobina Bader Ahmed	11	6	33 Rossini Dr	$ 30,000.00	29th June 2010	Soprano	40 ft
Mr Rinat Bairmgaline/Alfia Bairmagalina	12	5	35 Rossini Dr	$ 40,000.00	22nd June 2010	Mozart	40 ft
Mrs Ambreen Jahangir	13	4	37 Rossini Dr	$ 40,000.00	30th June 2010	Soprano	40 ft
Mrs Sabiha Mian	14	3	39 Rossini Dr	$ 40,000.00	10th July 2010	Soprano	40 ft
Mr Rasheed	31	2	41 Rossini Dr	$ 20,000.00	10th Sept 2010	Mozart	40 ft
Mr Tariq Alaudin	32	1	43 Rossini Dr	$ 40,000.00	20th June 2010	Soprano	40 ft

SCHEDULE "B"

CLAIMS TO DATE

TARION
PROTECTING ONTARIO'S NEW HOME BUYERS

Tarion Warranty Corporation
Customer Centre
5150 Yonge Street, Concourse Level
Toronto, Ontario M2N 6L8
Toll-Free: 1-877-982-7468
Fax: 416-229-3859

PROOF OF CLAIM

DEPOSIT REFUND

This form is provided to comply with the Ontario New Home Warranties Plan Act (the "Act") and without prejudice to the liability of Tarion Warranty Corporation.

This Proof of Claim form should be completed and filed with Tarion by each person(s) ("Claimant") with a claim under Section 14(1)(a) of the Act for REFUND OF DEPOSIT, pursuant to an Agreement of Purchase and Sale.

1. IDENTIFICATION OF CLAIMANT

Name: Bonnie Sobel and Elliott Silverstein

Address: 5 Belvia Drive Postal Code: L4K 5J6

Telephone No: (Res) 905-553-9042 (Bus) 905-771-3464 (Other) 416-873-8529

The claimant hereby applies to Tarion for payment of a claim in the amount of $ $47,500 plus interest

2. Identification of vendor (the "Vendor") with whom the Purchase Agreement was made:

Name Silver Streams Homes (Puccini) Inc.

Vendor's Registration No. 34331 Home Enrolment No. ______

Vendor's Solicitor (if known) Jack Greenberg, 181 Eglinton Ave E, Toronto, ON M4P 1J4

3. Date of Purchase Agreement March 12, 2012 (the "Purchase Agreement")
(Attach photocopy of complete Agreement of Purchase and Sale)

Date of Amendments N/A

4. IDENTIFICATION OF HOME FOR WHICH DEPOSIT(S) APPLY:

Lot Unit 43, Block 7 Plan No. 19TR.98004 Street Ruffles Court City Richmond Hill

5. Date and amount of each cash deposit made by Claimant under the Purchase Agreement:*

*If the home is a condominium unit, this claim will include a claim for interest on any deposits made at the rate or rates prescribed by Section 53(2) of the Regulations under the Condominium Act. The amount of such interest will be calculated for the Claimant by Tarion.

	Date	Amount
Initial Deposit	March 19, 2012	$ 10,000
Second Deposit	April 19, 2012	$ 5,000
Third Deposit	May 19, 2012	$ 5,000
(**) Additional $5,000 cheques on 19th of June, July, Aug., Sept. 2012) TOTAL		$ 40,000 (**)

6. *Attach photocopies of each receipt and/or cancelled cheque(s) (front and back).

7. Describe the nature of the failure of the Vendor to perform its obligations under the Purchase Agreement which has given rise to this claim. Attach any documents or correspondence from the vendor regarding its position regarding the completion of this transaction.

Vendor has failed to communicate in any form since March 2013. No final notification was provided by the vendor to inform of delayed final closing as outlined in the Agreement of Purchase and Sale. The purchasers are exercising their right to withdraw from the agreement as per Tarion criteria to receive their $40,000 deposit, plus interest, along with $7,500 for delayed closing compensation. Copies of correspondence (back dated) by vendor and letters to the vendor are attached to this form.

8. What efforts have been made by the Claimant to recover the deposit(s) paid to the Vendor? Refer to any tender made or proceedings instituted.

Please see the attached letters sent by registered mail to Silver Streams Homes, along with proof of receipt, and correspondence between the solicitors on this matter.

9. List any benefit, compensation or indemnity payable to the claimant from any source.

- Deposit totalling $40,000
- Interest accrued on the $40,000 deposit between March 12, 2012 and present
- Delayed closing compensation of $7,500.

10. Has there been any other recovery or set-off against the amount claimed?

No

11. Have you applied for an investment loss for Income Tax purposes? No

If so, please state tax years: ____________ Explain: ____________

12. Have you commenced a civil action against the Vendor/Builder or have you been served with a Statement of Claim wherein you have been named as defendant in a civil action brought against you by the Vendor/Builder?

No

13. Have you signed a release, mutual release or otherwise with the Vendor/Builder? (Yes/No): ______
If yes, please attach copy showing consideration and confirm terms of release were met:

No

14. The said claim did not occur through any willful act, neglect, procurement, or means of connivance of the claimant.

In consideration of payment of this claim Tarion is discharged forever from all further claim by reason of the said loss. All rights to recovery from any other person are hereby transferred to Tarion which is authorized to bring action in the claimants name to enforce such rights.

15. TO BE COMPLETED BY PURCHASERS OF CONDOMINIUM UNITS ONLY

STATEMENT OF OCCUPANCY

Project Name Silver Streams Homes (Puccini) – Symphony Series

Address 103 Naughton Drive, Richmond Hill, ON, L4C 8B3

Date of Possession Final Closing set for January 15, 2014

Date Property Vacated N/A

Number of Interim Occupancy Payments N/A

Amount of Monthly Payment N/A Total N/A

To Whom Were Payments Made N/A

*Attach photocopies (front and back) of original cheques.

I/We, Bonnie Sobel and Elliott Silverstein do solemnly declare that the foregoing claim and statements are to the best of my/our knowledge and belief true in every particular, and I/We make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act.

DECLARED severally before me at Vaughan this 23rd day of February 2014.

B Sobel [signature]

Claimant

TARION

APR 07 2014

RECEPTION CORPORATE OFFICE

TARION
PROTECTING ONTARIO'S NEW HOME BUYERS

Tarion Warranty Corporation
Customer Centre
5150 Yonge Street, Concourse Level
Toronto, Ontario M2N 6L8
Toll-Free: 1-877-982-7466
Fax: 416-229-3858

PROOF OF CLAIM

DEPOSIT REFUND

This form is provided to comply with the Ontario New Home Warranties Plan Act (the "Act") and without prejudice to the liability of Tarion Warranty Corporation.

This Proof of Claim form should be completed and filed with Tarion by each person(s) ("Claimant") with a claim under Section 14(1)(a) of the Act for REFUND OF DEPOSIT, pursuant to an Agreement of Purchase and Sale.

1. IDENTIFICATION OF CLAIMANT

Name: Nadejda Vassilieva / Irina Nafanailova

Address: #109 White Beach crs, Maple, L6A 0B2 / 19 Green Bush rd. Toronto Postal Code: M2N 1P2

Telephone No. (Res.) (416) 817-1207 (Bus.) (416) 892-8305 (Other)

The claimant hereby applies to Tarion for payment of a claim in the amount of $ ______

2. Identification of vendor (the "Vendor") with whom the Purchase Agreement was made:

Name Silver Streams Homes (Puccini) Inc.

Vendor's Registration No. 34331 Home Enrolment No. ______

Vendor's Solicitor (if known) Jack Greenberg (416) 485-8833 Fax (416) 485-3246

3. Date of Purchase Agreement 24. May 2012 (the "Purchase Agreement")
(Attach photocopy of complete Agreement of Purchase and Sale)

Date of Amendments ______

4. IDENTIFICATION OF HOME FOR WHICH DEPOSIT(S) APPLY:

Lot 70 Plan No. 19TK 98004 Street Puccini City Richmond Hill

5. Date and amount of each cash deposit made by Claimant under the Purchase Agreement:*

*If the home is a condominium unit, this claim will include a claim for interest on any deposits made at the rate or rates prescribed by Section 53(2) of the Regulations under the Condominium Act. The amount of such interest will be calculated for the Claimant by Tarion.

	Date	Amount
Initial Deposit	May 31, 2012	$ 20,000
Second Deposit	July 31, 2012	$ 20,000
Third Deposit	Sep. 31, 2012	$ 20,000
	TOTAL	$ 60,000

6. *Attach photocopies of each receipt and/or cancelled cheque(s) (front and back).

7. Describe the nature of the failure of the Vendor to perform its obligations under the Purchase Agreement which has given rise to this claim. Attach any documents or correspondence from the vendor regarding its position regarding the completion of this transaction.

The house wasn't built by the critical final closing day which was January 15th 2014.

8. What efforts have been made by the Claimant to recover the deposit(s) paid to the Vendor? Refer to any tender made or proceedings instituted.

We hired lawyer, his name is Sheldon N. Caplan (416) 645-0562 x23 He wrote several letters to builder who promised to return $60,000 + $7,500 (HST). All correspondence attached. 681

9. List any benefit, compensation or indemnity payable to the claimant from any source.

NO

10. Has there been any other recovery or set-off against the amount claimed?

NO

11. Have you applied for an investment loss for Income Tax purposes?

If so, please state tax years: ____________ Explain: ____________

NO

12. Have you commenced a civil action against the Vendor/Builder or have you been served with a Statement of Claim wherein you have been named as defendant in a civil action brought against you by the Vendor/Builder?

NO

13. Have you signed a release, mutual release or otherwise with the Vendor/Builder? (Yes/No): ______
If yes, please attach copy showing consideration and confirm terms of release were met:

NO

14. The said claim did not occur through any willful act, neglect, procurement, or means of connivance of the claimant.

In consideration of payment of this claim Tarion is discharged forever from all further claim by reason of the said loss. All rights to recovery from any other person are hereby transferred to Tarion which is authorized to bring action in the claimants name to enforce such rights.

15. TO BE COMPLETED BY PURCHASERS OF CONDOMINIUM UNITS ONLY

STATEMENT OF OCCUPANCY

Project Name ____________

Address ____________

Date of Possession ____________

Date Property Vacated ____________

Number of Interim Occupancy Payments ____________

Amount of Monthly Payment ____________ Total ____________

To Whom Were Payments Made ____________

*Attach photocopies (front and back) of original cheques.

I/We, ____________ do solemnly declare that the

TARION
PROTECTING ONTARIO'S NEW HOME BUYERS

Tarion Warranty Corporation
Customer Centre
5150 Yonge Street, Concourse Level
Toronto, Ontario M2N 6L8
Toll-Free: 1-877-982-7466
Fax: 416-229-3858

PROOF OF CLAIM

DEPOSIT REFUND

This form is provided to comply with the Ontario New Home Warranties Plan Act (the "Act") and without prejudice to the liability of Tarion Warranty Corporation.

This Proof of Claim form should be completed and filed with Tarion by each person(s) ("Claimant") with a claim under Section 14(1)(a) of the Act for REFUND OF DEPOSIT, pursuant to an Agreement of Purchase and Sale.

1. IDENTIFICATION OF CLAIMANT

Name: Henry Wadowski and Judy Wadowski and LUIS FLORES

Address: 222 Goulding Ave. North York Postal Code: M2R 2P5

Telephone No: (Res) ______ (Bus) ______ (Other) 416-898-4724

The claimant hereby applies to Tarion for payment of a claim in the amount of $ 40,000

2. Identification of vendor (the "Vendor") with whom the Purchase Agreement was made:

Name: Silver Stream Homes (Puccini) Inc.

Vendor's Registration No. 34331 Home Enrolment No. not known

Vendor's Solicitor (if known) JACK GREENBERG

3. Date of Purchase Agreement February 11/2012 (the "Purchase Agreement")
(Attach photocopy of complete Agreement of Purchase and Sale)

Date of Amendments n/a

4. IDENTIFICATION OF HOME FOR WHICH DEPOSIT(S) APPLY:

Lot 11 Plan No. Block 3, Opus Street ______ City Richmond Hill

5. Date and amount of each cash deposit made by Claimant under the Purchase Agreement*

*If the home is a condominium unit, this claim will include a claim for interest on any deposits made at the rate or rates prescribed by Section 53(2) of the Regulations under the Condominium Act. This amount of such interest will be calculated for the Claimant by Tarion.

	Date	Amount
Initial Deposit	Feb 11, 2012	$ 10,000
Second Deposit	March 11, 2012	$ 10,000
Third Deposit	April 11, 2012	$ 10,000
4th Deposit	May 11, 2012	10,000
TOTAL		$ 40,000

6. *Attach photocopies of each receipt and/or cancelled cheque(s) (front and back).

7. Describe the nature of the failure of the Vendor to perform its obligations under the Purchase Agreement which has given rise to this claim. Attach any documents or correspondence from the vendor regarding its position regarding the completion of this transaction.

House never built, outside closing date was May 31, 2014
Vendor's Solicitor advises lands are being sold
under Power of Sale by builder's mortgage lender

8. What efforts have been made by the Claimant to recover the deposit(s) paid to the Vendor? Refer to any tender made or proceedings instituted.

Return of deposit has been demanded by
claimant's solicitor from Builder's solicitor.
Builder's solicitor's response was that we
should make a claim through Tarion.

9. List any benefit, compensation or indemnity payable to the claimant from any source.

NONE

10. Has there been any other recovery or set-off against the amount claimed?

NO

11. Have you applied for an investment loss for Income Tax purposes? NO

If so, please state tax years: ______________ Explain: ______________

12. Have you commenced a civil action against the Vendor/Builder or have you been served with a Statement of Claim wherein you have been named as defendant in a civil action brought against you by the Vendor/Builder?

NO

13. Have you signed a release, mutual release or otherwise with the Vendor/Builder? (Yes/No): NO
If yes, please attach copy showing consideration and confirm terms of release were met.

14. The said claim did not occur through any willful act, neglect, procurement, or means of connivance of the claimant.

In consideration of payment of this claim Tarion is discharged forever from all further claim by reason of the said loss. All rights to recovery from any other person are hereby transferred to Tarion which is authorized to bring action in the claimant's name to enforce such rights.

15. TO BE COMPLETED BY PURCHASERS OF CONDOMINIUM UNITS ONLY

STATEMENT OF OCCUPANCY

Project Name ______________

Address ______________

Date of Possession ______________

Date Property Vacated ______________

Number of Interim Occupancy Payments ______________

Amount of Monthly Payment ______________ Total ______________

To Whom Were Payments Made ______________

*Attach photocopies (front and back) of original cheques.

LUIS FLORES

SCHEDULE "C"

FORM OF AGREEMENT APPROVAL ORDER

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	, THE	DAY
	)		
JUSTICE	)	OF	, 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.

ORDER

(Agreement Approval)

THIS MOTION, 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 "CCAA Debtors") for an order substantially in the form enclosed in the Motion Record of the CCAA Debtors was heard on this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, filed, the Affidavit of ■, sworn ■ ■, 2015, filed, and the ■ Report dated ■ ■, 2015, of Grant Thornton Limited, in its capacity as Monitor of the CCAA Debtors, filed, and upon hearing submissions of counsel for the CCAA Debtors, Tarion Warranty Corporation ("Tarion") and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of ■, sworn ■ ■, 2014, filed, and upon being advised that no other persons were served with the aforementioned materials:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record be and it is hereby abridged, if necessary, so that the motion is properly returnable today, and that further service thereof be and it is hereby dispensed with, and that service of the aforementioned materials be and it is hereby validated in all respects.

SETTLEMENT AGREEMENT

2. **THIS COURT ORDERS AND DECLARES** that capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Settlement Agreement dated ■ ■, 2015, by and among, Tarion, the CCAA Debtors, 2148991 Ontario Inc., Imram Jinnah and each person executing a Joinder Agreement (the "Settlement Agreement").

3. **THIS COURT ORDERS AND DECLARES** that the Settlement Agreement is approved.

4. **THIS COURT ORDERS AND DECLARES** that the execution, delivery and performance of the Settlement Agreement and the other transaction documents contemplated thereby by the CCAA Debtors is hereby authorized and approved, and that the CCAA Debtors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereby, including, without limitation: (a) the assignment by Puccini, and the assumption by Homes, of the Purchase Agreements; and (b) the provision to Tarion of recourse, and access, to the Security in connection with the Puccini Claims.

MISCELLANEOUS

5. **THIS COURT ORDERS** that this Court shall retain jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

6. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.

7. **THIS COURT HEREBY ORDERS AND REQUESTS** the aid and recognition of any court, tribunal, regulatory, governmental or administrative body having jurisdiction in Canada or elsewhere, to give effect to this Order and to assist in carrying out the terms of this Order. All courts, tribunals, regulatory, governmental and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Debtors and Tarion and their respective agents as may be necessary or desirable to give effect to this Order or to assist them in carrying out the terms of this Order.

SCHEDULE "D"

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is dated and effective as of the ___ day of ________, 2015 (the "Closing Date"), by and between Silver Streams Homes (Puccini) Inc. (the "Assignor"), and Silver Streams Homes Inc. (the "Assignee").

RECITALS

A. Pursuant to the terms and conditions of that certain Settlement Agreement, entered into as of the ___ day of ________, 2015 (the "Settlement Agreement"), by and among Assignee, Assignor, Tarion Warranty Corporation ("Tarion"), 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., 2147650 Ontario Inc., 2148991 Ontario Inc., Imram Jinnah and each person executing a Joinder Agreement, the parties thereto agreed to settle the issues set out therein subject to the terms and conditions of the Settlement Agreement.

B. Pursuant to the Settlement Agreement, Assignee and Assignor have agreed to duly execute and deliver this Agreement.

C. Any and all capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Settlement Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the recitals set forth above and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. As of the Closing Date, Assignor hereby assigns, sells, transfers, conveys and sets over to Assignee all of Assignor's right, title, interest and obligation in and to the Purchase Agreements set out on Schedule "A" hereto (collectively referred to herein as the "Assignment"). Assignee hereby accepts the Assignment and assumes and agrees to pay, fulfill, perform and otherwise discharge when due all of the duties, obligations, terms, provisions and covenants in connection therewith arising both prior, and subsequent, to the Closing Date. For greater certainty, the Assignee assumes all duties and obligations commensurate with being a registered "vendor" under the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. O. 31 (the "Act") in connection with the Purchase Agreements, including, without limitation, in respect of the Puccini Claims.

2. Further Assurances. Each of the parties hereto shall cooperate with each other and Tarion, without any further consideration, to cause to be executed and delivered, all instruments, including instruments of conveyance, novations, assignment and transfer, and to make all filings with, and to obtain all consents, under any permit, license, agreement, indenture or other instrument or regulation, and to take all such other actions as any of the parties may reasonably request any other parties to take from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplate thereby, including, without limitation, in respect of: (a) the Puccini

Claims; (b) the Purchase Agreements; (c) the Security; (d) the assignment by Assignor, and the assumption by Assignee, of the Purchase Agreements; and (e) the provision to Tarion of recourse, and access, to the Security in connection with the Puccini Claims.

4. Amendment; Waiver. This Agreement may not be modified, amended, supplemented, canceled or discharged, except by written instrument executed by all parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Agreement are in addition to all other rights and remedies, at law or equity, which they may have against each other.

5. Governing Law. This Agreement shall governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof.

6. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither party hereto may assign any of its rights or liabilities hereunder without the prior written consent of the other party hereto.

7. Counterparts; Facsimile Transmission. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. One or more counterparts of this Agreement may be delivered by facsimile, with the intention that such delivery shall have the same effect as delivery of an original counterpart thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the as of the day and year first above written.

SILVER STREAMS HOMES INC.

Per: ________________________
Title: ________________________
I have authority to bind the Corporation.

SILVER STREAMS HOMES (PUCCINI) INC.

Per: ________________________
Title: ________________________
I have authority to bind the Corporation.

SCHEDULE "E"

JOINDER AGREEMENT

JOINDER TO THE SETTLEMENT AGREEMENT

THIS JOINDER TO THE SETTLEMENT AGREEMENT (this "Joinder") is dated and effective as of the ___ day of ________, 2015, by _______________ (the "Joining Party").

RECITALS

A. Reference is made to that certain Settlement Agreement, entered into as of the ___ day of ________, 2015 (the "Settlement Agreement"), by and among Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., Tarion Warranty Corporation, 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., 2147650 Ontario Inc., 2148991 Ontario Inc., Imram Jinnah and each person executing a Joinder Agreement.

B. The Joining Party has agreed to become a party to the Settlement Agreement and duly execute and deliver this Joinder.

C. Any and all capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Settlement Agreement.

JOINDER

NOW, THEREFORE, for and in consideration of the recitals set forth above and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Effective as of the date of this Joinder, the Joining Party hereby acknowledges that the Joining Party has received and reviewed a copy of the Support Agreement, and hereby:

(a) acknowledges and agrees to:

(i) join in the execution of, and become a party to, the Settlement Agreement as a Party thereunder, as indicated with its signature below;

(ii) subject to subsection (iii) below, be bound by all agreements of the Parties under the Settlement Agreement with the same force and effect as if such Joining Party was a signatory to the Settlement Agreement and was expressly named as a party therein; and

(iii) assume all rights and interests and perform all applicable duties and obligations of the Parties under the Settlement Agreement other than those expressed therein to be solely the rights, interests, duties and obligations of the initial Parties; and

(b) confirms each representation and warranty of the Parties under the Support Agreement with the same force and effect as if such Joining Party was an initial signatory to the Settlement Agreement and was expressly named as a party therein.

2. Except as specifically amended by this Joinder, all of the terms and conditions of the Settlement Agreement shall remain in full force and effect as in effect prior to the date hereof.

5. This Joinder shall governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof.

6. This Joinder constitutes the entire agreement in relation to the subject matter hereof and supercedes all prior agreements, proposals, discussions and representations, whether oral or written, relating thereto.

7. Any determination that any provision of this Joinder or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Joinder.

8. This Joinder may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. One or more counterparts of this Joinder may be delivered by facsimile, with the intention that such delivery shall have the same effect as delivery of an original counterpart thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Joining Party executed this Joinder as of the as of the day and year first above written.

____

____

Per: ______________________

Title: ______________________

I have authority to bind the Corporation.

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

AFFIDAVIT OF IMRAN JINNAH

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