

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as ammended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI)
INC., 2148893 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO
INC., and 2146750 ONTARIO INC.

APPLICANTS

RESPONDING MOTION RECORD
OF PUCCINI MORTGAGE CORP., 53 PUCCINI MORTGAGE CORP., 388242
ONTARIO LIMITED, DAPaul MANAGEMENT LIMITED, NASTELL
INVESTMENTS LIMITED and
CASTLE LANE DESIGN GROUP INC.

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Management Limited, Nastell Investments
Limited and Castle Lane Design Group Inc.

TO: SEE SERVICE LIST

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

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

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

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

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SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI)
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INC., and 2146750 ONTARIO INC.

APPLICANTS

RESPONDING MOTION RECORD OF
PUCCINI MORTGAGE CORP., 53 PUCCINI MORTGAGE CORP., 388242
ONTARIO LIMITED, DAPAU MANAGEMENT LIMITED, NASTELL
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I N D E X

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ONTARIO
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APPLICANTS

AFFIDAVIT OF MARCO DRUDI

I, MARCO DRUDI, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the lawyer for a number of the mortgagees, often referred to as the private lenders (the "Private Lenders"), which are parties pursuant to the within Application. A dispute has arisen with respect to the fees of Aird & Berlis, the lawyers for the monitor. Aird & Berlis seeks an Order to have their fees approved by the Court.
2. The initial Order under C.C.A.A. was made by Justice Newbould on December 17, 2013.
3. Further to the process, on the 16th day of January 2014, the Honourable Mr. Justice Wilton-Siegel, made an Order which, *inter alia* put in motion a claims process. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a true copy of the claims process order made by His Honour.
4. Pursuant to paragraph 4 of the Order, Notice to Creditors was to be served by the Monitor by January 21, 2014.
5. Paragraph 1 (e) set February 14, 2014 as being the Claims Deadline.

6. In accordance with paragraphs 8 and 9, the Claimants were then to deliver their written submissions together with supporting documentation by the Claims Deadline, failing which, the claims were to be extinguished, and forever barred.
7. In accordance with paragraph 11, the Monitor was to review the Secured Claims by the Claims Deadline.
8. In accordance with paragraph 13 of the Order the Monitor was to, "in its sole discretion, upon consultation with the Vetting Committee, make accept or disallow a Secured Claim in part or in whole".
9. In accordance with paragraph 14, if a Secured Claim were disallowed in part or in whole, the Monitor was to deliver a Notice of Disallowance to the Claimant.
10. The Order then provided with a process to deal with Disputed Claims.
11. On March 19, 2014, I received correspondence from Aird & Berlis confirming that they had received the Claims and they were reviewing same. On April 11, 2014, I received a Memorandum from Aird & Berlis. On or about April 11, 2014, I received a number of emails with a number of attachments. Attached hereto and marked as **Exhibit "B"** to this my Affidavit are a majority of the emails received at that time. We have not included all of the Notices of Disallowance given their volume; but rather, on the last 3 pages of Exhibit "B", we have attached the Notice of Disallowance referred to as No. 28, simply as an example.
12. On or about June 3, 2014, we received another package from Air & Berlis. As the document is marked Without Prejudice, we will not include it as an exhibit hereto. On June 10, 2014, I attended at a meeting at the offices of Aird & Berlis.
13. Discussions primarily surrounded the position the Monitor would be taking with respect to the Secured Claims. Contrary to the Order of Justice Wilton-Siegel, the Monitor had not complied with the deadline set out there in nor had they delivered Notices of Disallowance to the Secured Claims.

14. Having reviewed the Memoranda provided to me by Aird & Berlis, and subsequent to having discussions with the lawyers in attendance at the meeting from the offices of Aird & Berlis, I was of the view that their earlier Memoranda where they had suggested delivering Notices of Disallowance to Secured Claims was not adequately explained or supported and would clearly not be accepted by any of the Secured Claimants. It was therefore discussed in that meeting, that, rather than continue with the Claims Process which should have been concluded months prior, it would be preferable to refer the determination of disputes with respect to the Secured Claims to either a Master, Arbitrator or Referee. I am presently working with 2 of the lawyers with a view to drafting such an Order.

15. Subsequent to the meeting, Aird & Berlis rendered 2 accounts for which they sought approval. Attached hereto and marked as **Exhibit "C"** to this my affidavit are true copies of the accounts as rendered by them.

16. On June 24, 2014, I exchanged several emails with Steve Graff dealing with, *inter alia*, the accounts of Aird & Berlis and the concerns of the Private Lenders. Attached hereto and marked as **Exhibit "D"** to this my affidavit is a true copy of the email chain exchanged.

17. As the Private Lenders were concerned with respect to the value provided in the "analysis" of the Secured Claims, on July 10, 2014, I suggested a process, which would permit me to review the work product and the analysis to determine if there would be any value to the private lenders and/or to the process that were would need to undertake given the fact that the Claims Process as Ordered by Justice Wilton-Siegel had not been performed. Attached hereto and marked as **Exhibit "E"** to this my Affidavit is the email exchange between Mr. Graff and myself on July 10, 2014.

18. As I viewed the fee dispute between my clients are Aird & Berlis as being counterproductive, I proposed a "with prejudice" suggestion so that a third party could make a determination without delay. Attached hereto and marked as **Exhibit "F"** to this my affidavit is a true copy of the "with prejudice" proposal made. I am advised by Adam Wainstock who attended before the Honourable Mr. Justice Brown, and do verily believe, that Justice Brown did not find the proposal attractive and therefore Ordered that the matter proceed by way of Motion.

19. The concerns with respect to the accounts are as follows:

(a) The Order of Justice Wilton-Siegel has not been complied with. Whatever Aird & Berlis may have done on the claims process is of little or no value to any of the parties;

(b) Although the Monitor was to deliver a Notice of Allowance with respect to the Private Lenders, as set out in earlier documentation, we have not seen any such Notice of Allowance;

(c) It appears from the dockets in support of the accounts that there are too many persons working on the file resulting in excessive charges being applied. The value of the assets of the applicants are not significant, the applicants being insolvent builders of homes with, I understand, less than 10 homes to be completed with an estimated revenue of the 10 homes to be completed of between \$8,000,000.00 and \$9,000,000.00. I further understand from documentation received from Aird & Berlis that the total amount of the claims submitted was \$26,232,695.41 and the total amount of claims as accepted is \$15,370,087.66. From the numbers presented, there will clearly be a shortfall experienced which will likely reduce the monies received by, amongst others, the private lenders.

20. I make this affidavit for no improper purpose or delay.

SWORN BEFORE ME at the City
Of Vaughan, in the Regional
Municipality of York, this 25th day
of July, 2014.

A Commissioner for taking Affidavits

M. WAINSTOCK

MARCO DRUMI

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES
(PUCCINI) INC., 2148893 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC., and 2146750 ONTARIO INC.

Court file no. 13-10362-00-CL

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

Proceeding commenced at TORONTO

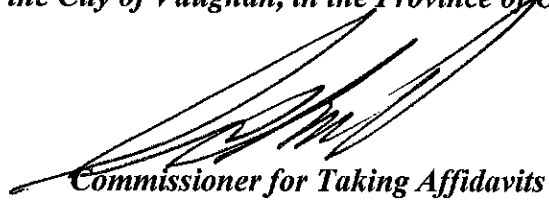
AFFIDAVIT OF MARCO DRUDI

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Fax: (905) 850-9146
Lawyers for the Private Lenders

0000005

*This is Exhibit "A" to the Affidavit of
Marco Drudi, sworn before me
This 25th day of July, 2014
in the City of Vaughan, in the Province of Ontario*



Commissioner for Taking Affidavits

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE WILTON-SIEGEL

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THURSDAY, THE 16TH DAY
OF JANUARY, 2014

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

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

Applicants

CLAIMS PROCESS ORDER

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

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

DEFINITIONS

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

- (a) **"9:30 Appointment"** means an appearance before a Justice of this Court in chambers which may be made at 9:30 a.m. on any juridical day;
- (b) **"Business Day"** means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C - 36, as amended;
- (d) **"CCAA Proceeding"** means the CCAA proceeding of the Applicants initiated pursuant to the terms of the Initial Order;
- (e) **"Claims Deadline"** means 5:00 p.m. (Eastern Standard Time) on February 14, 2014;
- (f) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (g) **"Claimant"** means any Person having a Secured Claim;
- (h) **"Filing Date"** means December 17, 2013;
- (i) **"Initial Order"** means the Order of the Honourable Mr. Justice Newbould dated December 17, 2013 issued in the CCAA Proceeding;
- (j) **"Known Creditors"** means any Person which the books and records of the Applicants disclose were owed money by one or more of the Applicants as of the Filing Date which obligations remains unpaid in whole or in part;
- (k) **"Monitor"** means Grant Thornton Limited in its capacity as Court-appointed Monitor of the Applicants pursuant to the Initial Order;
- (l) **"Notice of Disallowance"** means the notice that may be delivered to a Claimant disallowing such Claimant's Secured Claim in whole or in part, which notice shall include the grounds for the disallowance;
- (m) **"Notice of Dispute"** means the notice that may be delivered by a Claimant who has received a Notice of Disallowance disputing such Notice of Disallowance, which notice shall include the grounds for the dispute;
- (n) **"Notice to Creditors"** means the notice substantially in the form attached hereto as **Schedule "B"**;
- (o) **"Person"** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association and any federal, provincial or municipal government or similar entity, howsoever designated or constituted;

- (p) **"Property"** means the property of the Applicants described in **Schedule "A"** hereto and the proceeds thereof;
- (q) **"Secured Claim"** means all claims against the Property whether as a mortgagee, construction lien claimant or otherwise, including the claim of Con-Drain Company (1983) Limited (**"Con-Drain"**), and subject to paragraph 3A of the Initial Order against the Property in an action commenced in Newmarket, Ontario by Con-Drain against certain Applicants and others bearing Newmarket Court File Number CV-13-115757-00, but excludes the claims of unsecured creditors and the beneficiaries of the Court ordered charges created pursuant to the Initial Order; and
- (r) **"Vetting Committee"** means a committee established pursuant to the terms of this Order for the purpose of assisting the Monitor with the review and determination of the validity, quantum and priority of all Secured Claims and which shall have a maximum of six (6) members.

PURPOSE OF CLAIMS PROCESS

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

MONITOR'S ROLE

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

CLAIMS PROCESS

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

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

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

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

FILING OF SECURED CLAIMS

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

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

- (a) in the case of lien claimants, a complete copy of the contract or subcontract, change orders, evidence of the date of last supply of work or services, a copy of all invoices, time sheets and a detailed statement of account including all payments received;
- (b) in the case of mortgagees, a copy of the commitment letter, offer of finance or similar document, the dates and amounts of all advances, a detailed statement of account, and the amount of any holdback maintained by the mortgagee.

VETTING COMMITTEE

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

- (a) James Klein - lawyer for various lien claimants
- (b) Jeffrey Long – lawyer for Con Drain
- (c) Jeffrey Spiegleman – lawyer for Bank of Montreal
- (d) Marco Drudi – lawyer for private lenders

(e) Stephen Schwartz – lawyer for the Applicants

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

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

CLAIMS REVIEW

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

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

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

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

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

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

RESOLUTION OF CLAIMS

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

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

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

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

GENERAL PROVISIONS

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

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

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

with a copy to

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

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

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

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

ENTERED AT / ENREGISTRÉ À TORONTO
CN / BOOKING
LE / DÉPOSÉ LE REGISTRE NO:

JAN 16 2014

W. I. Don - L. A. J.

SCHEDULE "A"**PROPERTY**

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

SCHEDULE "B"

NOTICE TO CREDITORS

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

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

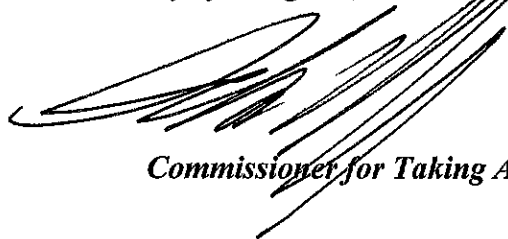
TAKE NOTICE that this notice is being published pursuant to an order of the Honourable Mr. Justice Wilton-Siegel of the *Ontario* Superior Court of Justice (Commercial List) dated January 16, 2014 (the "**Claims Process Order**"). Any person who believes that it has a claim against the Property (as defined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

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

Dated at _____ this ____ day of _____, 2014

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced at TORONTO	
CLAIMS PROCESS ORDER	
CHAITONS LLP Barristers and Solicitors 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9 Harvey Chaiton (LSUC #21592F) Tel: (416) 218-1129 Fax: (416) 218-1849 Stephen Schwartz (LSUC #25980A) Tel: (416) 218-1132 Fax: (416) 218-1832 Maya Poliak (LSUC #54100A) Tel: 416-218-1161 Fax: 416-218-1844 Lawyers for the Applicants	

*This is Exhibit "B" to the Affidavit of
Marco Drudi, sworn before me
This 25th day of July, 2014
in the City of Vaughan, in the Province of Ontario*

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a cursive-like shape.

Commissioner for Taking Affidavits

Marco Drudi

From: Patrick Copeland [pcopeland@airdberlis.com]
Sent: Friday, April 11, 2014 3:04 PM
To: Ian Aversa; Marco Drudi
Cc: Krieger, Jonathan; Sobel, Daniel; Steve Graff; Courtney Raphael; Eunice Baltkois; Susy Moniz
Subject: RE: 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")
Attachments: Overview of Review of the Claims for Lien (VC).pdf

Dear Mr. Drudi,

Further to Ian's email below, kindly see the attached memo regarding the construction lien claims that was inadvertently omitted from the original email.

Our apologies for the confusion.

Regards,

Patrick Copeland

Patrick Copeland

T 416.865.3969
 F 416.863.1515
 E pcopeland@airdberlis.com

Brookfield Place • 181 Bay Street
 Suite 1800 • Box 754
 Toronto ON • M5J 2T9 • Canada
www.airdberlis.com

AIRD & BERLIS LLP
 Barristers and Solicitors

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Please consider the environment before printing this email.

From: Ian Aversa
Sent: April-11-14 2:45 PM
To: 'mdrudi@dakllp.com'
Cc: Krieger, Jonathan; Sobel, Daniel; Steve Graff; Courtney Raphael; Patrick Copeland; Eunice Baltkois; Susy Moniz

Subject: 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")

Dear Mr. Drudi,

As you are aware, pursuant to the Claims Process Order in this matter dated January 16, 2014, the Monitor is required to consult with the Vetting Committee. In this regard, kindly be advised that we have now completed our review of the 41 claims that were submitted in the context of the Claims Process, and we have attached drafts of the initial findings to this email (in the form of notices of disallowance and memos, as particularized below). We also attach a spreadsheet that outlines the allowed and disallowed amounts, for your review and comment.

Kindly be advised that to the extent a committee member also submitted a claim, to avoid any appearance of a conflict, we have omitted the claim from this email, with the exception of Con Drain, as the Monitor intends to refer this matter to the Court for the resolution of the claim. As a result, for the purposes of calculating the allowed amounts as set out below, the entirety of Con Drain's claim has been negated.

As set out in the attached Claims Summary, the 41 claims cumulatively amounted to **\$26,232,695.41**. However, based on our review, we have concluded that only **\$15,370,087.66** should be allowed. Our initial findings in this regard are summarized below:

CRA's Claim

CRA originally advised us on February 14, 2014 that it assessed its secured claim in the amount of \$229,699.40. On March 20, 2014, CRA revised its claim to \$244,777.49. Our initial finding is that the secured claim, and the quantum, is valid.

The Claims by BMO, Foremost and Home Trust Security

BMO, Foremost and Home Trust Security each claim a security interest arising from a general security agreement and/or a charges on certain properties. We are in the process of finalizing our opinions on the security in favour of the various lenders. Attached are the draft opinions for BMO, Foremost and Home Trust.

As you will see, the Claims Summary lists BMO's security as totalling \$973,989. However, we note that there are outstanding letters of credit with the bank that total \$2,532,342.64 that have not yet been drawn upon. BMO has cash collateralized these letters of credit for this amount.

The Claims by Private Lenders

A total of seven private lenders have claimed a security interest.

Claims Made Pursuant to the *Construction Lien Act*

The majority of the claims relate to alleged liens arising from products and/or services provided to Silver Streams during construction. Our initial finding is that all but two of the claims (namely, the claim made by L.I.U.N.A Local 183 and the claim made by Trudel & Sons Roofing Ltd.) should be disallowed in their entirety for one, or more, of the following reasons:

- 1) the lien was not preserved within the prescribed time limits set out in the *Construction Lien Act*;
- 2) the general lien registered by the claimant does not satisfy the requirements for a general lien; and/or

000020
3) the claimant failed to prove its claim by providing the required documentation set out in paragraph 9(a) of the Claims Process Order.

The attached notices of disallowance relate to each specific claimant and each notice sets out the reason(s) why the particular claim is proposed to be disallowed. We have also attached a memorandum which sets out a slightly more detailed analysis of the thought process involved in our review (and often disallowance) of the CLA Claims.

Miscellaneous Claims

Two claims (the first by Imran and Humera Hussain, and the second by Horizons Holdings Inc., Africana Investments Inc. and Mr. Japanwala) seek an equitable interest in certain properties. For the reasons outlined in the attached notices of disallowance, our initial finding is that both of these claims should be disallowed.

We note that Imran and Humera Hussain seek a "legal or equitable interest" in two homes equivalent to their fair market value. As the claimants have not submitted a specific amount of their purported interest, the Claims Summary that is attached only lists the amount that they allege has been invested in the properties, namely \$600,000.

Please provide us with any comments regarding these claims by no later than **5:00 p.m. on Monday, April 21, 2014.**

Regards,

Ian Aversa

T 416.865.3082
F 416.863.1515
E iaversa@airdberlis.com

Brookfield Place • 181 Bay Street
Suite 1800 • Box 754
Toronto ON • M5J 2T9 • Canada
www.airdberlis.com

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Barriers and Solutions

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Please consider the environment before printing this email.

Marco Drudi

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Sent: Friday, April 11, 2014 2:45 PM
To: Marco Drudi
Cc: Krieger, Jonathan; Sobel, Daniel; Steve Graff; Courtney Raphael; Patrick Copeland; Eunice Baltkois; Susy Moniz
Subject: 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")
Attachments: Claim Summary for Marco Drudi - private lenders.pdf; Notice of Disallowance and Notice of Dispute (Silver Streams) - LIUNA (3)....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Cardelldoc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Solo Ele....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - GM Exter....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Pilbro (...doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - 1865721doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Ed Carpe....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Medi (3)....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Canadian....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Giancola....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Pave (3)....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Dream Wo....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Benzi (3)....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Conelcodoc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Foremont....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - 669857 (....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Generaldoc; Notice of Disallowance and Notice of Dispute (Silver Streams) - JS Const....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - JJ Homedoc; Notice of Disallowance and Notice of Dispute (Silver Streams) - King-Con....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - MAS Engi....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Krcmar (....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Qualitydoc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Toroncadoc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Sandersso....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Trudel (....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Renova (....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Horizons....doc; Notice of Disallowance and Notice of Dispute (Silver Streams) - Hussain.doc; Opinion Letter to Monitor Concerning Validity of Foremost Security (Silver Streams) (2).DOCX; Opinion Letter to Monitor Concerning Validity of Home Trust Security (Silver Streams) (2).DOCX; Opinion Letter to Monitor Concerning Validity of BMO Security (Silver Streams) (2).DOCX

Dear Mr. Drudi,

As you are aware, pursuant to the Claims Process Order in this matter dated January 16, 2014, the Monitor is required to consult with the Vetting Committee. In this regard, kindly be advised that we have now completed our review of the 41 claims that were submitted in the context of the Claims Process, and we have attached drafts of the initial findings to this email (in the form of notices of disallowance and memos, as particularized below). We also attach a spreadsheet that outlines the allowed and disallowed amounts, for your review and comment.

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- 1) the lien was not preserved within the prescribed time limits set out in the *Construction Lien Act*;
- 2) the general lien registered by the claimant does not satisfy the requirements for a general lien; and/or
- 3) the claimant failed to prove its claim by providing the required documentation set out in paragraph 9(a) of the Claims Process Order.

The attached notices of disallowance relate to each specific claimant and each notice sets out the reason(s) why the particular claim is proposed to be disallowed. We have also attached a memorandum which sets out a slightly more detailed analysis of the thought process involved in our review (and often disallowance) of the CLA Claims.

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Please provide us with any comments regarding these claims by no later than **5:00 p.m. on Monday, April 21, 2014.**

Regards,

Ian Aversa

T 416.865.3082
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E iaversa@airdberlis.com

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Suite 1800 • Box 754
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AIRD & BERLIS LLP

Brokers and Solicitors

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Please consider the environment before printing this email.

Name of Claimant	Claim as Submitted	Claim as Accepted	Corresponding Document
L.I.U.N.A Local 183	\$ 22,567.67	\$ 22,567.67	Notice of Disallowance
J.S. Construction	\$ 14,746.50	-	Notice of Disallowance
Horizons Holdings Inc., Africana Investments Inc. and Mr. Japanwala	\$ 6,000,000.00	-	Notice of Disallowance
Inran and Humara Hussain	\$ 600,000.00	-	Notice of Disallowance
Canada Revenue Agency	\$ 244,777.49	244,777.49	N/A
The Sanderson-Harold Company Ltd (Paris Kitchens)	\$ 203,869.94	-	Notice of Disallowance
King-Con Corporations	\$ 104,574.23	-	Notice of Disallowance
Home Trust Company	\$ 1,263,577.87	1,263,577.87	Opinion Letter
Foremost Mortgage Holding Corporation	\$ 488,866.00	488,866.00	Opinion Letter
Canadian Concrete Forming Limited	\$ 216,201.68	-	Notice of Disallowance
Cardell Flooring Limited	\$ 94,922.10	-	Notice of Disallowance
E.D. Carpenters Limited	\$ 328,674.01	-	Notice of Disallowance
Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc., 2203579 Ontario Inc. c/o Foremont Drywall Contracting	\$ 434,577.93	-	Notice of Disallowance
GM Exteriors Inc.	\$ 46,559.20	-	Notice of Disallowance
Medi Group Incorporated	\$ 521,675.00	-	Notice of Disallowance
Pave Plumbing and Heating Inc.	\$ 227,302.96	-	Notice of Disallowance
Pilbro III Inc.	\$ 554,353.82	-	Notice of Disallowance
Solo Electric Ltd.	\$ 186,364.16	-	Notice of Disallowance
1865721 Ontario Inc.	\$ 91,518.55	-	Notice of Disallowance
Giancola Aluminum Contractors Inc.	\$ 82,579.00	-	Monitor intends to refer this matter to the court for the resolution of this claim
Con-Drain Company (1983) Limited	\$ 794,881.68	\$ -	
Puccini Mortgage Corp.	\$ 1,426,414.00	\$ -	
Dapaul Management Limited	\$ 3,239,762.00	\$ -	
388242 Ontario Limited	\$ 851,024.00	\$ -	
53 Puccini Mortgage Corp.	\$ 2,133,205.00	\$ -	
53 Puccini Mortgage Corp. (Alexandris)	\$ 1,150,000.00	\$ -	
Nastell Investments Limited	\$ 3,122,790.00	\$ -	
Castle Lane Design Group Inc.	\$ 421,369.86	\$ -	
Bank of Montreal	\$ 973,989.00	973,989.00	Opinion Letter
Benzi General Contracting	\$ 6,106.49	-	Notice of Disallowance
Krcmar Surveyors Ltd.	\$ 9,286.94	-	Notice of Disallowance
Quality Door Systems Inc.	\$ 20,724.20	-	Notice of Disallowance
Conelco Utility Contractors	\$ 3,072.67	-	Notice of Disallowance
MAS Engineering (part of Cole Engineering)	\$ 4,378.75	-	Notice of Disallowance
J.J Home Products	\$ 28,670.16	-	Notice of Disallowance
TorOnCa Fence and Deck	\$ 24,860.00	-	Notice of Disallowance
Dream Work Canada Inc. (operating as Stone Factory)	\$ 91,434.60	-	Notice of Disallowance
Trudell & Sons Roofing Ltd.	\$ 31,744.77	31,744.77	Notice of Disallowance
Renova Recycling (2000) Inc.	\$ 29,392.03	-	Notice of Disallowance
669857 Ontario Inc.	\$ 108,287.44	-	Notice of Disallowance
General Home Built-In Systems Ltd.	\$ 33,593.72	-	Notice of Disallowance
GRAND TOTAL	\$ 26,232,895.41	\$ 15,370,087.66	

AIRD & BERLIS LLP
Barristers and Solicitors

MEMORANDUM

TO: Vetting Committee
FROM: Aird & Berlis LLP
DATE: April 11, 2014
RE: Silver Streams

We have conducted a review of the claims submitted pursuant to the Claims Process Order of Justice Wilton-Siegel dated January 16, 2014 as potential secured claims under the *Construction Lien Act*, R.S.O. 1990, c. C.30 (the "**CLA**").

A total of 28 claims were submitted by contractors and suppliers on a project to construct a townhouse subdivision located in the Town of Richmond Hill and referred to as the "**Puccini Project**".

The Puccini Project consisted of construction during three phases and the construction of Phase 3 remains ongoing.

Set out below are general comments and notes relating to the review process of the secured lien claims.

1. All of the claimants were retained directly by the Owner on the project and accordingly considerations of the trust provisions under sections 8 and 9 of the CLA were not required.

2. We have not carried out an analysis of the validity of any claims pursuant to section 7 of the CLA which provides that:

"All amounts received by an owner, other than the Crown or a municipality, that are to be used in the financing of the improvement, including any amount that is to be used in the payment of the purchase price of the land and the payment of prior encumbrances, constitute, subject to the payment of the purchase price of the land and prior encumbrances, a trust fund for the benefit of the contractor."

3. When reviewing the validity of the CLA claims, we have not looked to see if any conditions under the governing contract have been satisfied, for instance, we have not checked to see that the prices charged in the supporting invoices match the prices agreed upon or whether the approval process in the contract that is to be followed to enable payment of the contractor have been satisfied.

4. We have not taken into consideration any set-off claim by the Owner, specifically, whether there are any deficiencies in the work.

5. All amounts accepted have not been reduced for holdback. The secured amounts allowed do not include any claims for interest as interest is not included in a claim for lien.

6. We have been advised that no payment certifications were issued on this project. We have not been able to confirm whether the work pursuant to which payment is sought has in fact been completed.

7. As the Puccini Project relates to the construction of a subdivision project, the claims review analysis has required consideration of section 20 of the CLA which provides:

"(1) Where an owner enters into a single contract for improvements on more than one premises of the owner, any person supplying services or materials under that contract, or under a subcontract under that contract, may choose to have the person's lien follow the form of the contract and be a general lien against each of those premises for the price of all services and materials the person supplied to all the premises.

(2) Subsection (1) does not apply and no general lien arises under or in respect of a contract that provides in writing that liens shall arise and expire on a lot-by-lot basis."

8. We have relied upon the following principles taken from the case-law governing s. 20 of the CLA.

- a) In order to establish a general lien, the following three criteria must all be satisfied:
 - i) all of the premises for which the lien claimant seeks payment must be under the same ownership at the time of supply;
 - ii) all of the work must be performed under a single contract; and
 - iii) there is no provision in the contract with the owner providing that liens arise and expire on a lot-by-lot basis.
- b) We considered the lien only as against the properties against which the liens were registered unless the lien itself indicated it was a general lien and referred to other properties for which amounts were being claimed.
- c) If an improper general lien was filed, the secured claim was disallowed in its entirety pursuant to the decision of the Court of Appeal in *Gillies Lumber Inc. v. Kubassek Holdings Ltd.* (1999), [1999] O.J. No. 2692, 1999 CarswellOnt 2160 (Ont. C.A.); reversing (1997), 32 O.R. (3d) 475 (Ont. Div. Ct.) that the CLA does not enable the court to amend or rectify a claim for a general lien that is not available to a lien claimant under s. 20(1). The failure of a general lien cannot be "corrected" by s. 6 of the Act.

9. If no lien was ever registered on any of the properties set, the secured claim was disallowed for not being preserved pursuant to section 34 of the CLA.

10. If a valid lien was preserved in the time provided by section 34 of the CLA but no Certificate of Action was registered in the time prescribed by the section 36 of the CLA, the lien claim was disallowed and no considerations were given to whether the claim could be sheltered under another lien claimant unless the claimant indicated such sheltering applied.

11. We have not considered the priority of any of the lien claims.

Notice of Disallowance in respect 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")

Name of Claimant: Trustees of the Labourers' Union of North America Local 183 Members' Benefit Trust Fund

Reference #: 28

Defined terms not defined within this Notice of Disallowance form have the meaning ascribed thereto in the Claims Process Order dated January 16, 2014. Pursuant to paragraphs 13 and 14 of the Claims Process Order, Grant Thornton Limited, in its capacity as Monitor of the Applicants, hereby gives you notice that it has reviewed your Secured Claim and has revised or rejected your Secured Claim as follows:

(A) Revisions or Disallowance:

	Secured Claim as Submitted	Secured Claim as Accepted
Secured Claim	\$22,567.67	\$22,567.67

(B) Reason for the Disallowance:

N/A

IF YOU DO NOT AGREE WITH THIS NOTICE OF DISALLOWANCE, PLEASE TAKE NOTICE OF THE FOLLOWING:

1. If you intend to dispute this Notice of Disallowance you must, in relation to a Secured Claim, ***no later than 5:00 p.m. (Eastern Standard Time) on the day which is fourteen (14) calendar days after the date of the Notice of Disallowance***, deliver a Notice of Dispute by registered mail, personal service, courier or electronic or digital transmission to the addresses indicated hereon. The form of the Notice of Dispute is attached to this Notice.
2. If you do not deliver a Notice of Dispute, the amount of your Secured Claim set out in your Secured Claim shall be deemed to be as set out in this Notice of Disallowance.

Address for Service of the Notice of Dispute:

Grant Thornton Limited,

in its capacity as Monitor of Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc.

Attention: Daniel Sobel
Royal Bank Plaza, South Tower, 19th Floor
Toronto, ON M5J 2P9
Fax: (416) 360-4949
Email: daniel.sobel@ca.gt.com

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIODS, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2014.

GRANT THORNTON LIMITED, in its capacity as Court-appointed Monitor of Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc., and not in its corporate or personal capacity

Notice of Dispute in respect 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")

Defined terms not defined within this Notice of Dispute form have the meaning ascribed thereto in the Claims Process Order dated January 16, 2014. Pursuant to paragraph 15 of the Claims Process Order, we hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number _____ and dated _____ issued by Grant Thornton Limited, in its capacity as Monitor of the Applicants, in respect of our Secured Claim.

Name of Claimant: _____

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Signature of Individual/Authorized Signing Officer: _____

Date: _____

(Please print name) _____

Telephone Number: () _____ Facsimile Number: () _____

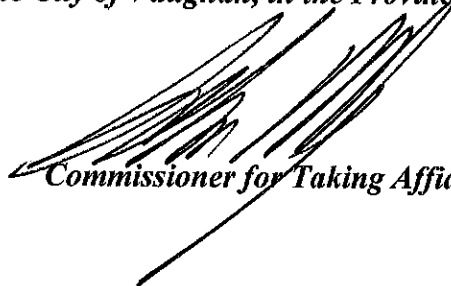
Full Mailing Address: _____

THIS FORM AND SUPPORTING DOCUMENTATION MUST BE RETURNED BY REGISTERED MAIL, PERSONAL SERVICE, COURIER OR ELECTRONIC OR DIGITAL TRANSMISSION TO THE ADDRESS INDICATED HEREIN AND MUST BE RECEIVED BY NO LATER THAN 5:00 P.M. (EASTERN STANDARD TIME) ON THE DAY WHICH IS FOURTEEN (14) CALENDAR DAYS AFTER THE DATE OF THE NOTICE OF DISALLOWANCE.

Address for Service of the Notice of Dispute:

Grant Thornton Limited,
in its capacity as Monitor of Silver Streams Homes Inc., Silver Streams Homes
(Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc.
and 2147650 Ontario Inc.
Attention: Daniel Sobel
Royal Bank Plaza, South Tower, 19th Floor
Toronto, ON M5J 2P9
Fax: (416) 360-4949
Email: daniel.sobel@ca.gt.com

*This is Exhibit "C" to the Affidavit of
Marco Drudi, sworn before me
This 25th day of July, 2014
in the City of Vaughan, in the Province of Ontario*


Commissioner for Taking Affidavits

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
 Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
 T 416.863.1600 F 416.863.1515
 www.airdberlis.com

Grant Thornton Limited
 Royal Bank Plaza, South Tower
 200 Bay Street, 19th Floor
 Toronto, ON
 Canada M5J 2P9

Attention: Mr. Daniel Sobel

Account No.: 483070

PLEASE WRITE ACCOUNT NUMBERS
 ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

May 30, 2014

Re: Silver Streams Homes Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 29, 2014

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
PGC	12/03/14	\$295.00	2.10	\$619.50	Review claims and draft notices of disallowance
IEA	30/03/14	\$395.00	0.50	\$197.50	Emails regarding the claims process and discussions with S. Graff regarding same
SRM	30/03/14	\$310.00	0.10	\$31.00	Email from S. Graff; Email to R. Hooke regarding subdivision
RTH	31/03/14	\$625.00	0.20	\$125.00	Discussion with K. Connell; Order subdivision plan
IEA	01/04/14	\$395.00	0.70	\$276.50	Telephone calls and emails to and from client and S. Graff regarding the claims process and next steps
KC	01/04/14	\$275.00	0.60	\$165.00	Receipt and review of plans; Discussion with S. Morris
PGC	01/04/14	\$295.00	0.10	\$29.50	Emails to and from client and S. Graff re: status update
PGC	01/04/14	\$295.00	0.10	\$29.50	Email from S. Graff re: status update and review of claims
SLG	01/04/14	\$695.00	0.60	\$417.00	Telephone call with D. Sobel re claims; review and deliver same to Chaitons

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
RTH	01/04/14	\$625.00	0.20	\$125.00	E-mail from S. Morris; E-mail from S. Graff
IEA	02/04/14	\$395.00	0.70	\$276.50	Telephone call with client regarding next steps; Discussions with S. Graff regarding same; Telephone call with M. Pollak and D. Sobel regarding motion date and related issues
IEA	03/04/14	\$395.00	0.20	\$79.00	Emails to and from D. Sobel and S. Graff regarding the claims process
KC	03/04/14	\$275.00	0.20	\$55.00	Receive instructions from R. Hooke
IEA	04/04/14	\$395.00	0.30	\$118.50	Emails regarding the claims process
KC	04/04/14	\$275.00	2.80	\$770.00	Review opinions re all outstanding security; Draft schedule to describe security location
SLG	04/04/14	\$695.00	0.20	\$139.00	Emails with M. Poliak re motion to extend
IEA	07/04/14	\$395.00	3.20	\$1,264.00	Engaged with reviewing the affidavit and providing comments; Emails to and from applicants' counsel, client and S. Graff regarding the same; Telephone call with D. Sobel regarding the same; Telephone call with S. Schwartz regarding the same; Engaged with reviewing the second report and providing comments; Emails regarding the same; Engaged with preparing the reimbursement agreement and emails regarding the same; Engaged with preparing the fee affidavit and emails regarding the same
IEA	08/04/14	\$395.00	3.10	\$1,224.50	Engaged with reviewing the revised affidavit and providing comments; Emails regarding the same; Engaged with preparing the affidavit of fees; Emails regarding the claims process; Engaged with reviewing the cash flow projections and emails regarding the same; Telephone call with S. Schwartz; Telephone call with D. Sobel
SLG	08/04/14	\$695.00	0.80	\$556.00	Telephone call with H. Chalton; discussion with L. Aversa re next steps
RTH	08/04/14	\$625.00	0.10	\$62.50	Discussion with K. Connell re memo

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	09/04/14	\$395.00	3.60	\$1,422.00	Emails to and from client, C. Raphael and S. Graff regarding the claims process and next steps; Engaged with reviewing the motion materials and draft orders and providing comments; Emails regarding the same; Engaged with reviewing the cash flow projection; Telephone call with S. Schwartz; Telephone call with D. Sobel; Telephone call with P. Copeland; Telephone call with S. Graff
RTH	09/04/14	\$625.00	0.60	\$375.00	Review K. Connell; Memo to S. Graff; Memo to S. Graff
CVR	09/04/14	\$450.00	0.50	\$225.00	Emails from and to I. Aversa re: assertion of priorities over claimants
IEA	10/04/14	\$395.00	2.30	\$908.50	Engaged with reviewing the Applicants' motion record; Emails regarding the service list; Engaged with compiling the second report; Emails to and from client and S. Graff regarding the same; Engaged with reviewing the second report and providing comments; Discussions with P. Copeland regarding the claims process and instructions regarding same
PGC	10/04/14	\$295.00	3.10	\$914.50	Draft and assemble reporting material for vetting committee
SLG	10/04/14	\$695.00	0.30	\$208.50	Discussion re approach to claims
*CA	11/04/14	\$230.00	0.60	\$138.00	Attending the Commercial List to file court documents for I. Aversa
IEA	11/04/14	\$395.00	2.90	\$1,145.50	Emails to and from client regarding second report; Engaged with compiling record and serving it; Correspondence to the service list regarding the same; Emails to and from the vetting committee regarding the claims process; Emails and discussions with P. Copeland regarding the same; Telephone call with J. Long; Telephone call with J. Greenberg
PGC	11/04/14	\$295.00	1.20	\$354.00	Review and finalize material for vetting committee; Telephone call with I. Aversa regarding same
IEA	13/04/14	\$395.00	0.20	\$79.00	Emails to and from S. Graff regarding the claims process

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	14/04/14	\$395.00	0.40	\$158.00	Engaged with reviewing correspondence from CRA and emails and discussions regarding the same
SLG	14/04/14	\$695.00	0.20	\$139.00	Address status
IEA	15/04/14	\$395.00	0.60	\$237.00	Emails and discussions with S. Graff and clients regarding correspondence from CRA; Emails to and from Applicants' counsel and client regarding same
IEA	16/04/14	\$395.00	2.70	\$1,066.50	Telephone calls and emails to and from Applicants' counsel, clients and S. Graff regarding the hearing and next steps; Telephone call with P. Copeland regarding claims process and emails regarding same; Emails to and from S. Schwartz regarding the same; Engaged with reviewing the notice of acceptance and providing comments; Discussions with S. Graff regarding next steps; Telephone call with S. Graff and client regarding same; Telephone call with Applicants' counsel regarding same; Emails to and from S. Graff and J. Long and discussions with S. Graff regarding same
PGC	16/04/14	\$295.00	0.90	\$265.50	Discussions with I. Aversa re: notices of acceptance; Draft notices of acceptance; Emails to and from I. Aversa re: same
SLG	16/04/14	\$695.00	0.50	\$347.50	Conference call with D. Sobel on distribution and position re CRA letter
CVR	16/04/14	\$450.00	0.10	\$45.00	Review e-mail from counsel for Silver Stream re: accepting costs of construction lien claims
CVR	16/04/14	\$450.00	0.40	\$180.00	Emails from J. Long and S. Graff; telephone call with S. Graff
IEA	17/04/14	\$395.00	0.30	\$118.50	Emails to and from J. Long and S. Graff regarding the claims process; Emails from service list regarding the hearing
SLG	17/04/14	\$695.00	0.60	\$417.00	Attend court on motion for LOI and sale approval and extension of stay
IEA	21/04/14	\$395.00	0.30	\$118.50	Emails regarding the claims process and discussions with S. Graff regarding same

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	22/04/14	\$395.00	0.50	\$197.50	Emails to and from S. Graff and C. Raphael regarding the claims process and next steps
PGC	22/04/14	\$295.00	0.20	\$59.00	Emails from S. Graff, I. Aversa and C. Raphael re: status update and further information
SLG	22/04/14	\$695.00	1.00	\$695.00	Lengthy telephone call with J. Long re basis of disallowance, issues re lien claims, position re Condrain claim, process for resolution and facts
CVR	22/04/14	\$450.00	0.50	\$225.00	Email from and to S. Graff
IEA	23/04/14	\$395.00	1.80	\$711.00	Meeting with S. Graff, C. Raphael and P. Copeland regarding the claims process and next steps and emails regarding the same
PGC	23/04/14	\$295.00	2.60	\$767.00	Meeting with S. Graff et al re: strategy and issues; Review mortgages to determine whether building mortgages
CVR	23/04/14	\$450.00	2.00	\$900.00	Meeting with I. Aversa, S. Graff and P. Copeland; review research priorities of liens
IEA	24/04/14	\$395.00	0.50	\$197.50	Engaged with reviewing correspondence from counsel to the Town of Richmond Hill; Emails and discussions regarding the same
IEA	25/04/14	\$395.00	0.40	\$158.00	Emails and discussions with C. Raphael and P. Copeland regarding the claims process
PGC	25/04/14	\$295.00	3.50	\$1,032.50	Review mortgages; Legal research; Discussions with C. Raphael re: building mortgages
CVR	25/04/14	\$450.00	0.80	\$360.00	Office discussion with P. Copeland re: review of mortgage and priorities of liens
IEA	28/04/14	\$395.00	0.40	\$158.00	Emails to and from client, S. Graff, C. Raphael and P. Copeland regarding the claims process; Emails regarding the Town of Richmond Hill

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	29/04/14	\$395.00	0.50	\$197.50	Emails to and from S. Graff, C. Raphael and P. Copeland regarding the claims process; Discussions with S. Graff regarding same; Emails to and from the client and S. Graff regarding same
IEA	30/04/14	\$395.00	0.40	\$158.00	Emails to and from S. Graff, C. Raphael and P. Copeland regarding the claims process; Discussions with S. Graff regarding the same
IEA	01/05/14	\$395.00	1.70	\$671.50	Engaged with reviewing correspondence from counsel to the Town of Richmond Hill; Discussions with S. Graff regarding same; Telephone call with clients and S. Graff regarding the claims process and next steps; Telephone call with Chaltons, client and S. Graff regarding same
PGC	01/05/14	\$295.00	0.40	\$118.00	Emails to and from S. Graff and others re: amending notices of disallowance; Revise notices of disallowance
SLG	01/05/14	\$695.00	1.30	\$903.50	Review emails on amendments to disallowances; call with H. Chalton and M. Pollak, D. Sobel and J. Krieger; consider approach
CVR	01/05/14	\$450.00	0.50	\$225.00	Emails amongst P. Copeland and S. Graff re: amending Notices of Disallowance
IEA	02/05/14	\$395.00	0.40	\$158.00	Emails to and from S. Graff, C. Raphael and P. Copeland regarding the claims process and next steps
PGC	03/05/14	\$295.00	0.20	\$59.00	Email to C. Raphael re: amending notices
IEA	05/05/14	\$395.00	0.50	\$197.50	Telephone calls and emails to and from S. Schwartz and S. Graff regarding the claims process; Telephone calls and emails to and from H. Mandel and S. Graff regarding the claims process
SLG	05/05/14	\$695.00	0.50	\$347.50	Discussion with S. Schwartz; review status with B. Miller
CVR	05/05/14	\$450.00	0.70	\$315.00	Instructions re revision of Notices of Disallowances; Review revised Notices

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	06/05/14	\$395.00	0.20	\$79.00	Emails to and from S. Graff and C. Raphael regarding the claims process
SLG	06/05/14	\$695.00	1.10	\$764.50	Telephone call with D. Sobel on approach; review documents; meet with B. Miller; letter to H. Mandel
SLG	20/05/14	\$695.00	1.80	\$1,251.00	Review of file and prepare analysis of SS claims; consider mortgages and CLA
IEA	21/05/14	\$395.00	0.30	\$118.50	Engaged with reviewing correspondence from Gibson & Barnes and emails regarding the same; Discussions with S. Graff regarding same
IEA	22/05/14	\$395.00	0.30	\$118.50	Emails to and from client and S. Graff regarding Argyle Flooring claim; Telephone call with M. Pollak regarding same
IEA	23/05/14	\$395.00	0.20	\$79.00	Discussion with S. Graff regarding claims process and next steps
IEA	26/05/14	\$395.00	0.40	\$158.00	Emails to and from client and S. Graff regarding the claim process
SD	26/05/14	\$225.00	0.20	\$45.00	Receive instructions from C. Raphael re: updating Silver Streams Claims Summary Chart to include dates of the mortgages and claims for lien; Receipt and review of email exchanges between C. Raphael and S. Graff re: same
SD	26/05/14	\$225.00	1.80	\$360.00	Review claims and prepare updated Silver Stream Claims Summary chart to include a column with the date of registration for claims for lien; Discussion with C. Raphael; Email to C. Raphael and S. Graff and copy to I. Aversa re: updated Claims Summary chart
SLG	26/05/14	\$695.00	3.00	\$2,085.00	Telephone call with H. Chalton; review facts; prepare summary
CVR	26/05/14	\$450.00	0.30	\$135.00	Email from and to S. Graff; office discussion with S. Duco
IEA	27/05/14	\$395.00	1.10	\$434.50	Engaged with reviewing letter to vetting committee and providing comments; Emails and discussions with S. Graff and J. Nemers regarding same

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	27/05/14	\$695.00	0.50	\$347.50	Review - Review letter to committee; consider options
IEA	28/05/14	\$395.00	1.50	\$592.50	Engaged with reviewing letter to vetting committee and providing comments; Emails and discussions with S. Graff regarding same; Engaged with reviewing and revising the letter; Emails to and from S. Graff and client regarding same
SLG	28/05/14	\$695.00	0.80	\$556.00	Discussion with I. Aversa; review and revise draft letter
IEA	29/05/14	\$395.00	0.50	\$197.50	Instruct J. Nemers regarding response to late claim; Engaged with reviewing and revising letter and emails to and from client and S. Graff regarding same
TOTAL:			74.20	\$31,555.50	

Name	Hours	Rate	Value
Patrick G. Copeland (PGC)	14.40	\$295.00	\$4,248.00
Ian E. Aversa (IEA)	33.60	\$395.00	\$13,272.00
Shannon R. Morris (SRM)	0.10	\$310.00	\$31.00
Randy T. Hooke (RTH)	1.10	\$625.00	\$687.50
Karl Connell (KC)	3.80	\$275.00	\$990.00
Steven L. Graff (SLG)	13.20	\$695.00	\$9,174.00
Courtney V. Raphael (CVR)	5.80	\$450.00	\$2,610.00
Celli Andrew (CA)	0.60	\$230.00	\$138.00
Sonja Duco (SD)	1.80	\$225.00	\$405.00

OUR FEE \$31,555.50
HST at 13% \$4,102.22

DISBURSEMENTS

Subject to HST

Teraview Search	\$90.00
Photocopies - Local	\$287.75
Photocopies	\$140.25
Binding and Tabs	\$34.75
Deliveries/Parss	\$22.80
Imaging/Scanning	\$38.50
Travelling Expenses	\$4.42
Taxi	\$17.70

AIRD & BERLIS LLP
PAGE 9 OF ACCOUNT No. 483070

Total Disbursements
HST at 13%

\$636.17
\$82.70

AMOUNT NOW DUE

\$36,376.59

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

per:


Steven L. Graff
E.O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6639 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 56 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

18268119.1

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
 Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
 T 416.863.1500 F 416.863.1515
 www.airdberlis.com

Grant Thornton Limited
 Royal Bank Plaza, South Tower
 200 Bay Street, 19th Floor
 Toronto, ON
 Canada M5J 2P9

Attention: Mr. Daniel Sobel

Account No.: 484355

PLEASE WRITE ACCOUNT NUMBERS
 ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

June 17, 2014

Re: Silver Streams Homes Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended June 13, 2014

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JN	27/05/14	\$230.00	3.70	\$851.00	Review back-up documentation to verify and revise content of draft letter to vetting committee for I. Aversa
JN	29/05/14	\$230.00	0.50	\$115.00	Receive instruction from I. Aversa; Prepare draft letter for I. Aversa
IEA	30/05/14	\$395.00	0.60	\$237.00	Attend court; Emails to and from client and S. Graff regarding correspondence to Gibson & Barnes; Engaged with issuing letter
IEA	01/06/14	\$395.00	0.80	\$316.00	Telephone calls and emails to and from client and S. Graff regarding the claims process and next steps; Discussions with S. Graff regarding the same
SLG	01/06/14	\$695.00	0.80	\$556.00	Conference call with J. Krieger, D. Sobel and I. Aversa; further review of and revisions to letter to committee
IEA	02/06/14	\$395.00	1.70	\$671.50	Engaged with reviewing and revising the letter to the vetting committee; Emails to and from S. Graff and clients regarding the same; Discussions with S. Graff and J. Nemers regarding research regarding CRA claim

AIRD & BERLIS LLP
PAGE 2 OF ACCOUNT NO. 484355

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
PGC	02/06/14	\$295.00	0.40	\$118.00	Emails to and from I. Aversa regarding private lenders; Review file and assemble material for vetting committee letter
SLG	02/06/14	\$695.00	0.30	\$208.50	Telephone call with S. Schwartz regarding status
JN	02/06/14	\$230.00	2.90	\$667.00	Proofread and revise letter regarding vetting committee for I. Aversa; Research regarding case law regarding CRA's deemed trust claim
IEA	03/06/14	\$395.00	2.40	\$948.00	Emails to and from client and S. Graff regarding letter to vetting committee; Engaged with reviewing and revising the letter; Telephone calls with clients regarding same; Discussion with P. Copeland and J. Nemers regarding same; Discussions with S. Graff regarding same; Engaged with compiling and issuing letter
* JN	03/06/14	\$230.00	0.60	\$138.00	Prepare electronic scans of letter and attachments to vetting committee for I. Aversa *
IEA	04/06/14	\$395.00	0.70	\$276.50	Emails to and from S. Schwartz and S. Graff regarding letter to vetting committee; Emails regarding the next stay extension; Research regarding CRA claim and emails regarding the same
JN	04/06/14	\$230.00	0.40	\$92.00	Email to I. Aversa, outlining arguments regarding CRA deemed trust claim
IEA	05/06/14	\$395.00	0.80	\$316.00	Emails to and from client regarding the sale agreement regarding 66 Puccini; Engaged with reviewing the sale agreement; Emails to and from the vetting committee regarding the meeting; Discussions with S. Graff regarding same
SLG	05/06/14	\$695.00	1.00	\$695.00	Review emails regarding timing of meeting
IEA	06/06/14	\$395.00	1.10	\$434.50	Discussions with S. Graff regarding the meeting with the vetting committee and next steps; Engaged with reviewing correspondence from J. Klein; Discussion with S. Graff regarding same; Emails to and from J. Klein regarding same; Engaged with preparing for meeting with vetting

AIRD & BERLIS LLP
PAGE 3 OF ACCOUNT NO. 484355

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					committee; Telephone call with M. Drudi regarding meeting and next steps
SLG	06/06/14	\$695.00	0.30	\$208.50	Discussion with I. Aversa and B. Miller on meeting materials and preparation
BHM	06/06/14	\$640.00	1.80	\$1,152.00	Review of various documents respecting lien claimants and priorities
JN	06/06/14	\$230.00	0.50	\$115.00	Receipt and review of letter from J. Klein; Prepare draft response for I. Aversa
IEA	09/06/14	\$395.00	2.10	\$829.50	Meeting with S. Graff and B. Miller regarding the meeting with the vetting committee; Engaged with preparing for the meeting
SLG	09/06/14	\$695.00	0.70	\$486.50	Prepare for meeting; Discussion with B. Miller and I. Aversa
BHM	09/06/14	\$640.00	2.00	\$1,280.00	Review of issues in preparation for attendance at vetting committee meeting; discussions with Steven Graff and Ian Aversa
IEA	10/06/14	\$395.00	4.20	\$1,659.00	Attend the meeting with the vetting committee; Engaged with reviewing the APS regarding 21 Rossini Drive; Discussions with P. Copeland regarding preparing notices of allowance and disallowance; Discussions with client regarding outcome of the meeting with the vetting committee; Telephone call with J. Krieger regarding same; Telephone call with D. Sobel
BHM	10/06/14	\$640.00	0.30	\$192.00	Attendance at meeting with Steven Graff and Ian Aversa
BHM	10/06/14	\$640.00	2.70	\$1,728.00	Attendance at meeting with vetting committee
PGC	10/06/14	\$295.00	0.70	\$206.50	Discussions with I. Aversa regarding next steps for mortgages and allowing/disallowing claims; Draft notices of allowance; Telephone calls with counsel for claimants
SLG	10/06/14	\$695.00	4.50	\$3,127.50	Prepare for and attend meeting with vetting committee to discuss claims for next steps
IEA	11/06/14	\$395.00	0.70	\$276.50	Emails to and from P. Copeland regarding notices of allowance and disallowance and

AIRD & BERLIS LLP
PAGE 4 OF ACCOUNT NO. 484355

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					letter regarding late claim; Discussions with client regarding same; Discussions with S. Graff regarding same
PGC	11/06/14	\$295.00	0.40	\$118.00	Draft notices of allowance and disallowance; Discussions with counsel regarding claim; Draft letter to claimant
IEA	12/06/14	\$395.00	1.10	\$434.50	Emails to and from P. Copeland regarding notices of allowance and disallowance and reviewing and revising same; Emails to and from client and Applicants' counsel regarding the hearing
PGC	12/06/14	\$295.00	0.60	\$177.00	Emails to and from I. Aversa regarding notices of disallowance and notices of acceptance; Draft same; Discussions with counsel for Home Trust regarding claim issues
IEA	13/06/14	\$395.00	2.30	\$908.50	Telephone call with D. Sobel regarding update and next steps; Emails to and from Applicants' counsel, clients and S. Graff regarding the draft motion materials and the hearing; Engaged with reviewing and revising the notices of allowance and disallowance and letter regarding late claim; Emails to and from clients regarding same; Discussions with P. Copeland regarding same; Emails to and from the vetting committee regarding the hearing and next steps; Discussions with S. Graff and client regarding same; Telephone call with M. Poliak regarding the hearing; Emails to and from J. Spiegelman regarding possible interim distribution; Engaged with reviewing letter from Gowlings regarding Home Trust; Emails regarding the same; Discussions with S. Graff regarding next steps
PGC	13/06/14	\$295.00	0.40	\$118.00	Discussions with I. Aversa regarding amending notices and letters to claimants; Draft same; Email to I. Aversa regarding same
SLG	13/06/14	\$695.00	0.20	\$139.00	Address status; Review emails
TOTAL:			44.20	\$19,796.00	

AIRD & BERLIS LLP
PAGE 5 OF ACCOUNT NO. 484355

Name	Hours	Rate	Value
Jeremy Nemers (JN)	8.60	\$230.00	\$1,978.00
Ian E. Aversa (IEA)	18.50	\$395.00	\$7,307.50
Steven L. Graff (SLG)	7.80	\$695.00	\$5,421.00
Patrick G. Copeland (PGC)	2.50	\$295.00	\$737.50
Barbra H. Miller (BHM)	6.80	\$640.00	\$4,352.00

OUR FEE	\$19,796.00
HST at 13%	\$2,573.48

DISBURSEMENTS

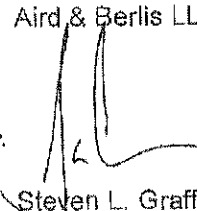
Subject to HST

Photocopies - Local	\$162.00
Photocopies	\$27.25
Imaging/Scanning	\$29.00
Long Distance Charges	\$2.38
Total Disbursements	\$220.63
HST at 13%	\$28.68

AMOUNT NOW DUE

\$22,618.79

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

per: 
Steven L. Graff

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

18454585.1

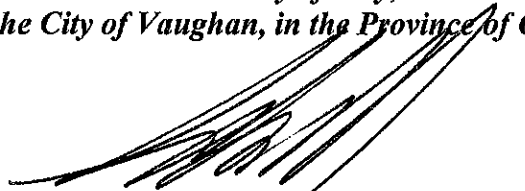
STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Steven L. Graff	1991	\$695.00	21.00	\$14,595.00
Ian Aversa	2008	\$395.00	52.10	\$20,579.50
Randy Hooke	1989	\$625.00	1.10	\$687.50
Barbra Miller	1988	\$640.00	6.80	\$4,352.00
Courtney Raphael	2005	\$450.00	5.80	\$2,610.00
Patrick Copeland	2012	\$295.00	16.90	\$4,985.50
Clerk/Student	Call to Bar	Hrly Rate	Total Time	Value
Shannon Morris	N/A	\$310.00	0.10	\$31.00
Sonia Duco	N/A	\$225.00	1.80	\$405.00
Kari Connell	N/A	\$275.00	3.60	\$990.00
Ceili Andrew	N/A	\$230.00	0.60	\$138.00
Jeremy Nemers	N/A	\$230.00	8.60	\$1,978.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

*This is Exhibit "D" to the Affidavit of
Marco Drudi, sworn before me
This 25th day of July, 2014
in the City of Vaughan, in the Province of Ontario*



Commissioner for Taking Affidavits

Marco Drudi

From: Marco Drudi
Sent: Tuesday, June 24, 2014 8:50 PM
To: 'Steve Graff'
Subject: RE: Silver Stream

Steve,

I will be brief as I am in the middle of a trial.

I have made suggestions on a draft order on referring the issues and have been waiting for Jim Klein to return from vacation which I understand may have occurred yesterday.

On the Allowance/Disallowance Process, the clients were under the impression, as was I, that A & B would go through the process of reviewing all claims and then make a determination on their validity providing detailed reasons for so doing and in this way, a party which has had a claim Disallowed can make an informed decision as to whether they wish to challenge same. If that process has been undertaken, please advise. As far as input, I attended the meeting and believed we would be presented with the support for the determinations; I provided my input at the meeting. I would be pleased to provide my input; is it possible for me to speak with the person at A & B that went through the process so I can see what they have done.

Are you seeking to have accounts approved on June 26th, 2014 as we have received instructions to oppose same. As I am in trial, I will not be attending. I would hope that your offices and the lenders could come to a solution in advance or by deferring the request so that you may deal with the concerns.

Marco Drudi

Drudi Alexiou Kuchar LLP
 7050 Weston Road
 Suite 610
 Vaughan, ON L4L 8G7
 Canada
 P: (905) 850-6116 ext. 225
 F: (905) 850-9146

From: Steve Graff [mailto:sgraff@airdberlis.com]
Sent: Tuesday, June 24, 2014 6:17 PM
To: Marco Drudi
Subject: RE: Silver Stream

Marco,

Thanks for your response. The last two emails were not the only emails sent. We initially emailed you on June 10, 2014 concerning this matter and have emailed you 3 or 4 more times since that time.

As we discussed at the meeting with the Vetting Committee on June 10th, the Monitor is attempting to work with the Vetting Committee and the other stakeholders to find the most efficient and cost effective manner to proceed with these CCAA proceedings. We discussed our proposed approach with you and the rest of the Vetting Committee and I left the meeting with the impression that you and the other members of the Vetting Committee were generally in agreement with the Monitor's proposed course of action going forward. As you will recall, our suggested course of action was as follows:

1. Issue the following:

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

(b) Notice of Disallowance to CRA with respect to CRA's GST/HST claim on the basis that the claim is an unsecured claim in the CCAA proceedings and the Claims Procedure Order dated January 16, 2014 (the "Order") established a claims process that was limited to Secured Claims (as such term is defined in the Order); and

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

The above mentioned Notices of Allowance and Disallowance were issued by the Monitor on June 16th.

2. Advise Michael Mazzuca of Gibson & Barnes LLP, which filed the sole late claim on behalf of Argyle Flooring, that after discussions with the Vetting Committee, the Monitor has decided to reserve its decision of the admission of his claim until the Monitor and the Vetting Committee have more clarity on the amount of funds available for distribution but that, based on the quantum of the mortgages and the construction lien claims, there is unlikely to be any money available for distribution to his client.

This position was communicated to Mr. Mazzuca via letter on June 16th.

3. Have the Con-Drain action heard by a CL judge on an expedited basis outside of the context of the CCAA proceedings. The Monitor and its counsel would not participate in these proceedings. If the approximate amount of \$500,000 in dispute is determined to form part of the CCAA estate, it would be delivered to the Monitor for distribution in the context of the CCAA proceedings. In that regard, we asked the relevant parties to deliver us a draft timetable for this litigation.

4. Have the construction lien and related issues determined in the context of binding arbitration by a claims adjudicator. In that regard, we asked the relevant parties to advise as to their preferred choice of arbitrator and deliver us a draft timetable to have this matter addressed.

We are still waiting for instructions from you, Jeffrey and Lisa on the last 2 points (consistent with our request in our last 4 or 5 emails).

As you will recall, we confirmed that we had gone through the documentation that was provided to us by each of the lien claimants and that was the basis for the draft disallowances/allowances that we prepared. At the meeting, we discussed the reason why we didn't want to simply issue allowances/disallowances to the lien claimants as we were concerned that doing so would create a bit of a firestorm, we don't necessarily have all the information to make a decision and that doing so was likely premature and would probably not avoid some further level of adjudication in any event.

I also note, as an aside, that all of the draft disallowances and allowances, as well as an accompanying memo setting out our brief analysis, was sent to every member of the Vetting Committee. We asked for each person's input and response. We never heard from you. In fact, the only person we heard from was Jeffrey Long.

As you will see from the Applicants' motion record and the Monitor's Third Report that were served this week, the Applicants will be seeking approval of the fees and disbursements of the Monitor and its counsel at Thursday's hearing. To date, we have not heard any objection to this relief.

I would be happy to speak with you further.

000050

Thanks.

Steven L. Graff

T 416.865.7726
M 416.894.5090
F 416.863.1515
E sgraff@airdberlis.com

Brookfield Place • 181 Bay Street
Suite 1800 • Box 754
Toronto ON • M5J 2T9 • Canada
www.airdberlis.com

AIRD & BERLIS LLP
Barristers and Solicitors

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 Please consider the environment before printing this email.

From: Marco Drudi [<mailto:mdrudi@dakllp.com>]
Sent: June-24-14 12:41 PM
To: Steve Graff
Subject: RE: Silver Stream

Steve,

I have your email from Friday. I was in Court Friday, and yesterday, and am in the middle of a trial.

I understand that the private lenders, as well as some of the lawyers for the Lien Claimants, are concerned about where we are at this stage and I cannot tell my clients with any confidence as to which Liens are timely and/or valid or what the exposure might be to some or all of the Lien Claimants. It was the understanding by most of the parties and their counsel that Aird & Berlis would do the analysis and then Allow/Disallow with cogent, well-supported reasons. My clients understand that Aird & Berlis will be seeking to have an account put forward, approved and paid for what it has done, but at this time, they cannot see how the process has been advanced.

I am concerned that the decision of the Lien Claimants to proceed to any forum is a result of not having the "refusal to allow" of explained with reasons that are well-supported. My impression from the meeting was that someone at Aird & Berlis may have gone through the analysis but we haven't seen their work product. Am I able to speak with the person who was involved in the process and review their work product? It may be that once the Lien Claimants are provided with same, their views on the strength of their claims may change.

Marco Drudi

Drudi Alexiou Kuchar LLP

7050 Weston Road
Suite 610
Vaughan, ON L4L 8G7
Canada
P: (905) 850-6116 ext. 225
F: (905) 850-9146

From: Steve Graff [<mailto:sgraff@airdberlis.com>]
Sent: Tuesday, June 24, 2014 11:38 AM
To: Marco Drudi
Cc: Ian Aversa; Daniel Sobel (Daniel.Sobel@ca.gt.com); 'Krieger, Jonathan'
Subject: Silver Stream

Hi Marco. I previously reached out to you in connection with the above both by email and voicemail. I believe that you act for Jack Greenberg in this matter. Jack has made comments to Grant Thornton concerning the manner in which this file has unfolded. Frankly, I don't believe there is any basis for criticism, nor have I heard any concrete complaint. Certainly, I thought after our last meeting that the issues involved were unfolding in a way that is satisfactory to all. I have heard nothing to suggest this is not the case. We are still waiting to hear from you to address the timetable and the process issues raised in our last emails and at the end of our meeting. Please get back to us in that regard. . All that said, I assume there is no concerns in relation to our motion scheduled for tomorrow. Please advise if I have mistaken things and this is not the case.

Steven L. Graff

T 416.865.7726
M 416.894.5090
F 416.863.1515
E sgraff@airdberlis.com

Brookfield Place • 181 Bay Street
Suite 1800 • Box 754
Toronto ON • M5J 2T9 • Canada
www.airdberlis.com

AIRD & BERLIS LLP

Barriers and Solicitors

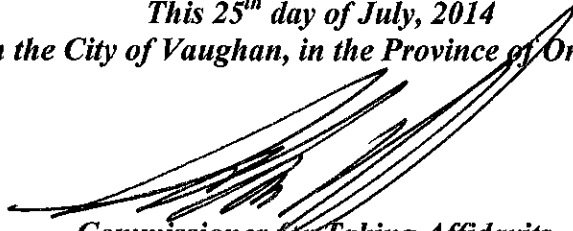
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Please consider the environment before printing this email.

*This is Exhibit "E" to the Affidavit of
Marco Drudi, sworn before me
This 25th day of July, 2014
in the City of Vaughan, in the Province of Ontario*



Commissioner for Taking Affidavits

Marco Drudi

From: Marco Drudi
Sent: Thursday, July 10, 2014 10:22 AM
To: 'Steve Graff'; stephen@chaitons.com
Subject: RE: PUCCINI RE CCAA

Steve,

You indicated that Courtney and others at your firm went through the process of reviewing and analyzing the Liens before deciding to Allow/Disallow. It was suggested the work they did could be used in the next forum to deal with the Lien Claims and therefore not wasted. I have not seen their work.

I therefore suggest the following:

1. Have the work product and analysis organized by them;
2. Allow me to attend to review what they did and perhaps spend 1 hour with Courtney to understand what she did;
3. We consent to postponing the deadlines imposed by Justice Brown so we can try to deal with this amicably.

Let me know.

Marco Drudi

Drudi Alexiou Kuchar LLP
7050 Weston Road
Suite 610
Vaughan, ON L4L 8G7
Canada
P: (905) 850-6116 ext. 225
F: (905) 850-9146

-----Original Message-----

From: Steve Graff [<mailto:sgraff@airdberlis.com>]
Sent: Thursday, July 10, 2014 9:52 AM
To: Marco Drudi; stephen@chaitons.com
Subject: Re: PUCCINI RE CCAA

Marco;

I need to hear from you today on the issue of fees so that I can address them in connection with our next court attendance. Thx.

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Marco Drudi
Sent: Friday, July 4, 2014 4:39 PM
To: Steve Graff; stephen@chaitons.com
Subject: PUCCINI RE CCAA

Without Prejudice

Steve and Stephen,

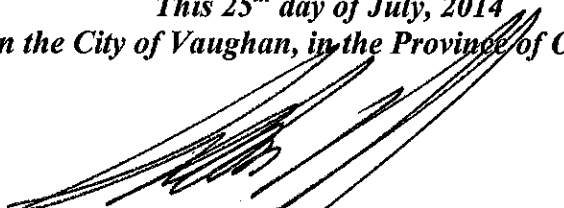
000054

I have spoken to Jack and would like to have a conference call with the three of us, and Jack, next week to discuss the fee dispute. Please provide available dates and times and I will confer with Jack for a mutually convenient date.

Marco Drudi

Drudi Alexiou Kuchar LLP
7050 Weston Road
Suite 610
Vaughan, ON L4L 8G7
Canada
P: (905) 850-6116 ext. 225
F: (905) 850-9146

*This is Exhibit "F" to the Affidavit of
Marco Drudi, sworn before me
This 25th day of July, 2014
in the City of Vaughan, in the Province of Ontario*



Commissioner for Taking Affidavits

**DRUDI • ALEXIOU • KUCHAR LLP**

BARRISTERS-AT-LAW

Writer's Ext. 232

Secretary's Ext. 230

Writer's Email: awainstock@dakllp.com**WITH PREJUDICE**July 21, 2014
Our File No. 130285VIA E-MAIL: sgraff@airdberlis.com**AIRD & BERLIS LLP**

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

Attention: Steven Graff

Dear Sir:

**Re: Puccini Mortgage Corp. et al. re CCAA Application
- Request for Clarification of Fees**

Further to my email of July 19, 2014, we intend to put the proposal as set out below before Mr. Justice Brown at tomorrow's attendance:

1. We collectively hire a 3rd party lawyer (the "3rd Party") to review the issue of your firm's fees with a cap of \$5,000.00 on the fees payable to the 3rd Party (each side to pay \$2,500.00 in advance);
2. Each side will make an offer to the other on what is to be paid on the 2 accounts in question which offers cannot be disclosed to the 3rd Party;
3. The 3rd Party will then speak with Jack Greenberg and I regarding my client's position. Thereafter, the 3rd Party will speak with you and Ian Aversa/Courtney Raphael;
4. The 3rd Party will review the dockets and work product for which payment is sought;
5. The 3rd Party will then decide the fair value of the fees being sought and how much must be paid against the two accounts (the "Approved Value"). Both sides are bound by the 3rd Party's determination with no right to appeal;

DRUDI • ALEXIOU • KUCHAR LLP

7050 WESTON ROAD, SUITE 610, VAUGHAN, ONTARIO, L4L 8G7 TEL: (905) 850-6116 FAX: (905) 850-9146

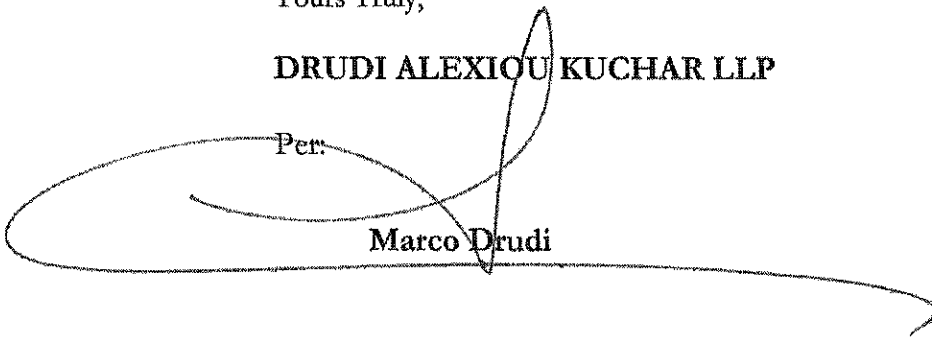
6. After the 3rd Party makes their determination of the Approved Value, both sides reveal the offers made. The party that made the offer closest to the Approved Value will be reimbursed their contribution of \$2,500.00 paid to the 3rd Party from the other side (i.e. if A & B is closer, the Private Lenders pay \$2,500.00 on top of the Approved Accounts; or; if the offer from the Private Lenders is closer to the Approved Value, the Private Lenders shall pay to A&B, the Approved Value less \$2,500.00.

Please advise.

Yours Truly,

DRUDI ALEXIOU KUCCHAR LLP

Per:



Marco Drudi

MD/sf

c.c. Adam Wainstock awainstock@dakllp.com

c.c. client jack@greenberglawyers.ca

DRUDI • ALEXIOU • KUCCHAR LLP

7050 WESTON ROAD, SUITE 610, VAUGHAN, ONTARIO, L4L 8G7 TEL (905) 850-6116 FAX (905) 850-9146

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148893 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC., and 2146750 ONTARIO INC.

Court file no. 13-10362-00-CL

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

Proceeding commenced at TORONTO

**RESPONDING MOTION RECORD
OF THE PRIVATE LENDERS**

DRUDI, ALEXIOU, KUCHAR LLP
Barristers-At-Law
7050 Weston Road
Suite 610
Vaughan, Ontario L4L 8G7

Marco Drudi - LSUC #27267H
Adam Wainstock - LSUC #52713P
Tel: (905) 850-6116
Fax: (905) 850-9146
Lawyers for the Private Lenders